

Legal Implications of Whistle Blowing as a Corporate Governance tool in Nigeria

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Chapter One

Introduction

1.1 Background to the Study

Corporate governance is a critical pillar of the financial system with far-reaching implications for economic performance. It establishes the relationships among shareholders, boards of directors, management, and other stakeholders, defining authority, accountability, and responsibility in the delivery of sustainable value¹. Good corporate governance ensures transparency, dependability, and trust—key ingredients for attracting financial and human capital, ensuring corporate sustainability, and contributing to macroeconomic stability. In the banking industry, the relationship between monetary policy and corporate governance is mediated through macro-prudential regulations. These policies, implemented by monetary authorities, aim to control systemic risks that often arise from governance imperfections such as asymmetric information, moral hazard, and adverse selection. Thus, monetary and macro-prudential policies work together to achieve broader macroeconomic objectives including price stability, financial system resilience, and sustainable growth².

Globally, corporate governance (CG) has emerged as a cornerstone of economic development, as governments recognize the interdependence between sound macroeconomic management and

¹ C. T. Zwingina, *Empirical Evaluation of Corporate Governance Practices on Sustainable Business Practices in Nigeria*, International Journal of Social Sciences and Management Research 10, no. 4 (2024): 236–49.

² J. U. Nwafor et al., *Corporate Governance and Economic Growth in Nigeria: The Role of Monetary Policy*, Innovations, no. 74 (September 2023). Retrieved on the 12th of July, 2025 from [\[PDF\] Corporate Governance and Economic Growth in Nigeria: The Role of Monetary Policy | Semantic Scholar](#)

robust microeconomic foundations. Even when economies design effective development policies and enforce regulations, weak governance practices can undermine firm performance, distort resource allocation, and hinder economic progress. Effective CG fosters interaction among boards, shareholders, and stakeholders, strengthening internal control systems and promoting transparency, accountability, and trust—conditions vital for long-term investment and stability³. In developing and transitional economies, challenges in governance often obstruct efficient resource use, access to capital, and sustainable growth. High-quality governance and a strong governance index are crucial for improved firm performance and competitiveness. Investors increasingly value transparency and accountability, often paying premiums for credible governance environments that ensure the flow of capital and enhance productivity³.

In Sub-Saharan Africa, the interplay between economic development, corporate governance, and firm performance remains vital. The level of economic development significantly shapes governance practices and determines their effectiveness. Strong corporate governance enhances operational efficiency, accountability, and investor confidence, creating a conducive environment for sustainable development and foreign investment⁴. Corporate governance mechanisms—such as disclosure standards, transparency in financial reporting, and shareholder rights—form the backbone of modern corporations. They protect firms from instability, boost investor confidence, and ensure ethical balance between economic and social goals. Effective governance aligns corporate interests with societal welfare, thereby promoting inclusive and

³ V. H. Prasad et al., *Corporate Governance and Economic Performance: A Case Study of the Developing Country*, *Corporate Governance and Organizational Behavior Review* 6, no. 2 (2022).

⁴ I. L. A. Atugeba & E. Acquah-Sam, *Economic Development, Corporate Governance, and Firm Performance in Sub-Saharan Africa*, *Modern Finance* 3, no. 1 (2025): 67–90

sustainable economic prosperity^{5, 1}. The significance of corporate governance for entrepreneurship and economic development cannot be overstated. It encompasses the processes, laws, and institutional frameworks that shape corporate control and accountability, mitigating agency problems and enhancing managerial responsibility⁶. As economic systems evolve, the quality of governance determines not only firm-level success but also the stability and growth of the broader economy. Weak governance, conversely, can magnify systemic risks and lead to crises, underscoring why sound governance remains integral to global development and prosperity⁷.

Many of the banks liquidated in Nigeria during the 1990s were riddled with fraudulent activities that led to monumental financial losses. Between 1991 and 1996, a total of ₦8.2 billion was involved in bank fraud, with the worst cases recorded in 1999, when ₦7.4 billion was reported and actual losses amounted to ₦2.7 billion. Much of this fraud, particularly in the 14 liquidated banks, stemmed from corporate governance failures such as insider abuse. The Nigerian banking system has long been characterized by unethical practices contrary to sound governance principles, including poor asset quality due to weak risk management, use of falsified documents in foreign exchange transactions, and inaccurate financial reporting. Poor board composition and non-compliance with monetary policies further exacerbated insider abuses².

⁵ D. H. Hijazi et al., *Corporate Governance and Its Role in Economic Development*, Journal of Business and Environmental Sciences 4, no. 2 (2025): 192–209.

⁶ Y. I. Jabil, S. A. Ilelah, and B. Shadrach, *Corporate Governance, Entrepreneurship and Economic Development in Nigeria*, Sahel International Multidisciplinary Journal 7, no. 1 (2023): 63–81.

⁷ S. R. Hosseini Moghaddam, M. Adibpour, and A. Memaranejad, *Relationship between Corporate Governance and Capital Formation Using the Financial Development Channel in the Middle East and OECD Countries*, International Journal of Finance and Managerial Accounting 10, no. 37 (2025): 61–74.

Corporate governance as a formal concept gained prominence after the 19th century, following waves of financial crises and corporate scandals across major firms and Asian economies. Organizations began adopting mechanisms, rules, and regulatory frameworks to mitigate fraud, corruption, negligence, and accountability lapses that hindered growth and wasted resources. Similar lessons emerged in other contexts, such as Fiji, where the failure of the National Bank of Fiji (NBF) and losses at the Fiji Sugar Corporation (FSC) highlighted the dangers of weak governance. The Fiji National Provident Fund (FNPF) was able to recover from its 2010 write-off through improved governance, though poor leadership decisions had previously shaken public confidence. These cases underscore how deficiencies and improper governance practices can destabilize institutions³.

In Nigeria, concerns about the effectiveness of corporate governance have drawn significant scholarly attention. Research has explored board and committee effectiveness, the role of leadership, audit oversight, and barriers to implementing sound governance. Studies on Nigerian banks have examined links between governance structures, non-executive directors (NEDs), and institutional performance. However, a key limitation of existing studies is that many overlook how companies were managed prior to the introduction of the Securities and Exchange Commission (SEC) Code of 2003, which marked a turning point in Nigeria's corporate governance landscape⁸. Corporate governance remains a crucial framework for addressing scandals, fraud, and corruption globally. It continues to evolve as organizations strive for

⁸ M. Agamah, "The Evolution of Corporate Governance in Nigeria: 1886–2018," *European Journal of Business and Management Research* 9, no. 5 (2024): 185–196.

accountability, transparency, and ethical management to prevent corporate failures and promote sustainable growth⁹.

During the financial crisis of 1998 in Russia, Asia and Brazil, the behavior of companies affected the entire economies and the defects in corporate governance put the stability of the global financial system at risk. Just three years later, corporate confidence was strained by corporate governance scandals in the United States and Europe, which led to some of the largest bankruptcies in history. After that, not only did the term corporate governance become a buzzword, but economists, corporations, and policymakers everywhere began to recognize the potential macroeconomic consequences of weak corporate governance⁷. Fraud is a problem to various stakeholders in Nigeria. It diminishes the profitability and this may lead to reduced firm value. In the extreme case, it may threaten the growth and development this may impact negatively on shareholder wealth. Despite reforms and technology adoption, fraudulent practices continue to recur in various dimensions, from insider manipulation to management fraud, suggesting deep-rooted structural weaknesses within the banking sector¹⁰.

The incidence of political corruption, defined as the ‘corruption of public officials and institutions’, has grown to a point of ‘endemic and intractable.’ It has also reached a level where the country’s unenviable reputation as one of the most underdeveloped countries in the world is blamed on ‘twin woes of corruption and bad leadership’¹¹. Embodied in the endemic nature of political corruption in the country are embezzlement and outright looting of public funds,

⁹ C. T. Zwingina, “*Empirical Evaluation of Corporate Governance Practices on Sustainable Business Practices in Nigeria*,” International Journal of Social Sciences and Management Research 10, no. 4 (2024): 236–249.

¹⁰ C. A. Olelewe and J. U. Onwumere, “*The Impact of Internet Banking on Bank Fraud in Nigeria*,” Asian Journal of Economics, Business and Accounting 24, no. 5 (2024): 510–524.

procurement fraud, payroll fraud, and bribery. Procurement fraud, for instance, is said to account for up to 70% of total public sector corruption in Nigeria¹¹.

Money laundering has long undermined Nigeria's economic and social fabric, facilitating corruption, eroding trust in financial systems, and fueling criminal activities. Despite the establishment of institutions such as the Economic and Financial Crimes Commission (EFCC) and the enactment of the Money Laundering (Prevention) Act of 2011, the problem persists¹². Several high-profile cases, including the alleged laundering involving Process and Industrial Developments Limited (P&ID) and the \$1.7 billion case implicating former Minister of Petroleum Resources Diezani Alison-Madueke, underscore the scale of the challenge. Nigeria, one of the world's leading crude oil producers, suffers from deeply entrenched inequality, as national wealth remains concentrated in the hands of a few public officials. This entrenched malfeasance has hampered economic growth and earned the country a reputation for endemic corruption. As former British Prime Minister David Cameron (2016) once remarked, Nigeria is "fantastically corrupt." Financial and political corruption are deeply intertwined, manifesting in embezzlement, fraud, cronyism, and money laundering¹³.

Since Nigeria's return to democratic governance in 1999, successive administrations have promised to combat corruption and strengthen accountability. Yet corruption continues unabated.

¹¹ A. E. Ezeoha, A. Akinyoade, D. Ehrhardt, and C. Uche, "Nigeria and the Practice of Whistleblowing: How Not to Mobilize Citizens' Participation in Anti-Corruption Programme," Public Integrity (2025), <https://doi.org/10.1080/10999922.2025.2491254>.

¹² J. A. Olayiwola, A. A. Olalere, and F. M. Ajide, *Corporate Governance and Money Laundering in Nigerian Listed Companies*, Journal of Economic Criminology 8 (2025): 100154, <https://doi.org/10.1016/j.jeconc.2025.100154>.

¹³ O. A. Oyebanji and D. J. O. Omale, *An Assessment of the Factors of Economic and Financial Corruption by Public Officials in Nigeria*, Journal of Economic Criminology 10 (2025): 100188, <https://doi.org/10.1016/j.jeconc.2025.100188>.

From Presidents Olusegun Obasanjo to Muhammadu Buhari, efforts to eradicate corruption have yielded little success. In 2019 alone, ₦675 billion was reportedly paid as bribes to public officials, and in 60% of cases, officials demanded bribes directly¹⁴. Corruption in Nigeria has deep historical roots, dating back to the colonial era. Early exposure to corrupt administrative practices embedded a culture of graft within institutional frameworks. In 2023, the National Bureau of Statistics, in partnership with the United Nations Office on Drugs and Crime, reported that public officials accepted bribes totaling ₦721 billion (\$1.26 billion), exacerbating inefficiency and weakening governance¹⁵.

This systemic corruption has had devastating economic consequences. Transparency International's Corruption Perceptions Index (2023) ranked Nigeria 145th out of 180 countries, with a score of 25 out of 100, reflecting widespread corruption and its impact on public trust and resource utilization. Research reveals that funds allocated to key sectors such as education, healthcare, and infrastructure are often mismanaged or diverted, resulting in poor outcomes and inflated costs¹⁶. Reports from the International Monetary Fund (2024) and other institutions continue to highlight Nigeria's entrenched lack of transparency and accountability. Despite the proliferation of anti-corruption agencies, progress has been negligible. The EFCC has investigated 31 state governors for corruption, prosecuted 11, but secured only two

¹⁴ O. O. Samuel and A. I. Rufus, *Transparency and Accountability Concerns in the Nigerian Public Sector*, International Journal of Research and Innovation in Social Science 8, no. 6 (2024): 2406–2416, <https://doi.org/10.47772/IJRISS.2024.806181>.

¹⁵ D. H. Eugene, L. S. Matinja, and A. Umar, *Corruption as a Barrier to Effective Governance in Key Sectors of Nigeria*, International Journal of Research and Innovation in Social Science 9, no. 4 (2025): 4953–4960, <https://doi.org/10.47772/IJRISS.2025.90400356>.

¹⁶ M. Hussaini and N. A. Kabuga, *Impact of Corruption on Public Investment Outcomes in Nigeria*, Asian Journal of Economics, Business and Accounting 25, no. 1 (2025): 197–221, <https://doi.org/10.9734/ajeaba/2025/v25i11643>.

convictions—both later pardoned¹⁷. Consequently, public confidence in anti-corruption efforts has declined sharply, from over 70% in 2016 to about 30% in 2023.

Treasury looting, characterized by the embezzlement and misappropriation of public funds, has persisted for decades. The oil boom era witnessed massive diversion of revenues intended for development into private accounts. Recent scandals, including the misappropriation of defense funds (Premium Times, 2016) and embezzlement within the Nigerian National Petroleum Corporation (NNPC), highlight ongoing fiscal irresponsibility. Such practices have deprived critical sectors of much-needed resources, stifling economic progress and undermining social welfare¹⁸. Ultimately, corruption in Nigeria continues to hinder development, distort resource allocation, and deter foreign investment. Despite repeated promises of reform, little has changed since 2017. Many citizens have grown desensitized, viewing corruption as an inevitable aspect of daily life. This normalization of dishonesty and theft has damaged Nigeria's reputation and reinforced perceptions of a dysfunctional and unreliable state¹⁹.

Effective organizational governance not only ensures compliance with whistleblowing legislation but also strengthens adherence to broader legal and regulatory frameworks, enhances internal controls, and aligns with stakeholder expectations. Within this governance system, the internal audit function plays a vital role through its independence, providing assurance and

¹⁷ P. C. van Duyne and J. H. Harvey, *Corruption in Nigeria: Indifference and Neglect*, Trends in Organized Crime (2025), <https://doi.org/10.1007/s12117-025-09574-4>, Retrieved on the 14th of September, 2025

¹⁸ S. Keremah Clever, *The Impact of Corruption through Treasury Looting on Economic Performance in Nigeria*, IIARD International Journal of Banking and Finance Research 10, no. 9 (2024): 134–151, <https://doi.org/10.56201/ijbfr.v10.no9.2024.pg134.151>.

¹⁹ A. P. Izuchukwu, *The Impact of the Fight against Corruption on Nigeria's Economy: A Case Study of the Economic and Financial Crime Commission*, International Journal of Social Sciences and Management Research 9, no. 8 (2023): 153–181, <https://doi.org/10.56201/ijssmr.v9.no8.2023.pg153.181>.

consulting services that reinforce ethical conduct and accountability²⁰. Compliance officers are central to maintaining integrity and legality within organizations. Their authority to identify, investigate, and correct noncompliance is essential for preventing financial liabilities, reputational harm, and potential legal penalties. By protecting the organization from internal misconduct, compliance officers serve as a safeguard—yet paradoxically, they are often exposed to retaliation when fulfilling this duty²¹.

Whistleblowing systems are integral to preventing fraud, addressing irregularities, and fostering good governance. Robust whistleblowing mechanisms reduce fraud and earnings manipulation, thereby improving transparency and accountability. Clear and protective disclosure policies encourage employees to report unethical behavior without fear of reprisal, cultivating an ethical culture and ensuring the reliability of financial reporting²². Across public organizations, ethics management—anchored in codes of ethics, regulatory frameworks, internal controls, and integrity-building initiatives—has become a cornerstone of efforts to rebuild public trust. However, implementing effective ethical management and promoting whistleblowing remain challenging, particularly within African public administration. Persistent integrity deficits, such

²⁰ P. Kagiias, A. Garefalakis, I. Passas, P. Kyriakogkonas, and N. Sariannidis, *Whistleblowing based on the three lines model*, Administrative Sciences 14, no. 5 (2024): 83, <https://doi.org/10.3390/admsci14050083>.

²¹ J. R. Boles, L. F. Eisenstadt, and J. M. Pacella, *Protecting the protectors: Whistleblowing and retaliation in the compliance arena*, American Business Law Journal 62, no. 1 (2025): 23–44, <https://doi.org/10.1111/ablj.12255>.

²² I. Belgacem, *Whistleblowing disclosure as a shield against earnings management: Evidence from the insurance sector*, Journal of Risk and Financial Management 18, no. 2 (2025): 65, <https://doi.org/10.3390/jrfm18020065>.

as corruption and low public trust, highlight the need for continued progress through anti-fraud policies, ethical conduct promotion, and greater managerial willingness to report wrongdoing²³.

Whistleblowing, defined as the disclosure by current or former organizational members of illegal, immoral, or illegitimate practices to entities capable of corrective action, represents a key mechanism for accountability. It embodies the principle of speaking truth to power and requires equitable capacity for all employees to participate. Increasingly, shareholders and regulators expect organizations to implement and protect effective speak-up systems that empower workers to report potential risks or misconduct²⁴. Whistleblowers play a crucial role not only from an ethical standpoint but also for their economic and preventive contributions. Their insider perspective gives them a privileged view of internal misconduct, making them one of the most important sources for detecting wrongdoing and economic crimes^{25, 26}. Consequently, many organizations have established internal whistleblowing systems to leverage employee insights, detect misconduct early, and deter potential wrongdoers by increasing the likelihood of detection²⁷.

²³ G. Onyango, *How managers respond to fraud, waste and mismanagement: Ethics management survey in Uganda and Kenya*, Public Integrity (2024), <https://doi.org/10.1080/10999922.2024.2317078>.

²⁴ K. Kenny and M. Batishcheva, *Whistleblowing as disclosure injustice: Testimonial and structural barriers to being heard*, Gender, Work & Organization 32, no. 1 (2025): 1–15, <https://doi.org/10.1111/gwao.13270>.

²⁵ R. Novaro, G. Nasi, M. Cucciniello, and S. Grimmelikhuijsen, *The power of framing: The role of information provision in promoting whistleblowing*, Public Administration 102, no. 4 (2024): 1342–1365, <https://doi.org/10.1111/padm.12977>.

²⁶ W. Vandekerckhove, M. Fotaki, K. Kenny, and D. D. Özdemir Kaya, “Signalling trustworthiness of internal whistleblowing channels in organizations: Temporality matters!” Organization Studies 46, no. 1 (2025): 1–28, <https://doi.org/10.1177/01708406251317262>.

²⁷ S. Krügel and M. Uhl, *Internal whistleblowing systems without proper sanctions may backfire*, Journal of Business Economics 93, no. 6 (2023): 1355–1383, <https://doi.org/10.1007/s11573-023-01144-w>.

Operating internal whistleblowing channels is now a regulatory requirement in many jurisdictions. Beyond compliance, these systems help minimize costs, prevent reputational damage, and harness whistleblowing's constructive potential to improve organizational behavior and culture²⁶. Nonetheless, many organizations still struggle with effectively preventing and addressing integrity violations, prompting ongoing examination of why internal whistleblowing sometimes fails and how it can be strengthened²⁸. Ultimately, whistleblowing sits at the intersection of ethics, trust, and governance. Organizations may encourage it to fulfill legal obligations, protect reputations, or genuinely foster cultural improvement. While whistleblowers often act to protect both the organization and themselves rather than from purely moral motives, internal whistleblowing remains a form of prosocial behavior that benefits both parties^{26, 27}.

International organisations like the World Bank, the United Nations, the European Commission, and the Council of Europe, among others, have reaffirmed the significance of whistleblowing as a tool, mechanism, system, and activity for preventing wrongdoing in the public sector. The European Commission's adoption of the EU Directive 2019/1937 on the Protection of Persons Who Report Breaches of Union Law constituted a new opportunity to harmonize whistleblower legislation among member states. The UNCAC Coalition of civil society organizations has proposed measures for implementing the Directive more effectively monitoring and constant improvement of whistleblower protection mechanisms by tracking and transparently reporting the number of whistleblower reports filed and their respective follow-up actions²⁹. These passages demonstrate that whistleblowing has gained global institutional legitimacy, anchored in

²⁸ S. Klarenbeek and R. van Eijbergen, *Strengthening internal reporting systems: A qualitative study into the role of Dutch confidential advisors*, Public Integrity 26, no. 5 (2024): 550–561.

²⁹ Baljija, S. K., & Min, K.S. *Evaluating the effectiveness of whistleblower protection: A new index. Data & Policy*, 5(e28). Cambridge University Press, 2023. Retrieved on the 12th of July, 2025 from <https://doi.org/10.1017/dap.2023.20>

international conventions (UNCAC), EU Directives, and multilateral initiatives that position whistleblowing as a key anti-corruption mechanism.

There are more than 40 pieces of legislation concerning whistleblowing provisions across many jurisdictions in the US. However, in other countries, such as Indonesia, there is a lack of law enforcement related to retaliation against whistleblowers. In countries such as Indonesia, whistleblower protection systems and laws relating to whistleblowing have not been fully regulated³⁰. As such, while developed states (e.g., EU, US, South Korea) have embedded whistleblowing in formal legal frameworks, emerging and transition economies (e.g., Kosovo, Indonesia) are still in early stages of adoption—often characterized by partial implementation, limited enforcement, and evolving public acceptance. This difference is potentially due to the weakness of whistleblowing protection in Indonesia, which opens avenues for further understanding the role of societal cultures in protecting whistleblowers around the globe³⁰. The nature and mechanisms of whistleblower protection vary in different countries, often based on jurisdictional differences. Overall, whistleblower protection supports employees who wish to report corruption, fraud, or wrongdoing. Such protection must be meaningful and incorporated into organizational structures and policies. Individuals tend to show reluctance to report corruption because of adherence to the loyalty-betrayal paradox. The need to dissociate whistleblowing from organizational disloyalty constitutes an increasing emphasis on developing effective mechanisms²⁹.

1.2 Statement of the Problem

³⁰ Latan, H., Chiappetta Jabbour, C. J., Ali, M., Lopes de Sousa Jabbour, A. B., & Vo-Thanh, T. *What makes you a whistleblower? A multi-country field study on the determinants of the intention to report wrongdoing*. Journal of Business Ethics, 183, 2023, 885–905.

Whistleblowing is a critical component of corporate governance and accountability mechanisms, serving as a means through which individuals can disclose unethical, illegal, or corrupt practices within organizations. In the Nigerian context, whistleblowing has the potential to play a transformative role in promoting transparency, curbing corruption, and fostering ethical conduct. However, despite its recognized importance, the effectiveness of whistleblowing as a governance tool remains limited due to several persistent challenges that hinder its implementation and acceptance. One of the foremost challenges is the absence of comprehensive legislation that provides adequate protection for whistleblowers. The existing legal framework in Nigeria is fragmented and lacks the cohesion necessary to ensure consistent enforcement and protection. Consequently, whistleblowers are often left vulnerable to retaliation, victimization, or professional marginalization, thereby discouraging individuals from coming forward with valuable information.

Closely linked to this is the fear of retaliation, which remains a significant deterrent to potential whistleblowers. Individuals who consider reporting wrongdoing often face the risk of job loss, demotion, harassment, or social exclusion. This fear perpetuates a culture of silence and complicity, where corruption and malpractice continue unchecked due to a lack of credible reporting. Furthermore, the lack of public awareness and trust in existing whistleblowing mechanisms exacerbates the problem. Many employees and citizens are either unaware of the channels available for reporting misconduct or skeptical about the confidentiality and integrity of such systems. This lack of awareness and confidence contributes to underreporting and undermines the overall purpose of whistleblowing frameworks.

Additionally, ineffective reporting mechanisms and bureaucratic bottlenecks impede the process of disclosure and investigation. In many cases, reporting platforms lack the necessary

technological and institutional support to guarantee anonymity and swift action. As a result, reports are often mishandled, ignored, or compromised, which further erodes public trust in the system. Lastly, the absence of adequate incentives and rewards for whistleblowers discourages individuals from taking the risk associated with disclosure. Without sufficient recognition, compensation, or protection, potential whistleblowers may find little motivation to expose corruption, especially when weighed against the personal and professional risks involved. Collectively, these challenges severely limit the efficacy of whistleblowing as an instrument of good governance in Nigeria. Addressing these systemic barriers is therefore essential to strengthening transparency, enhancing accountability, and fostering an ethical culture across both public and private institutions.

1.3 Aims and objectives of the study

The overall aim of this study is to appraise the concept of whistleblowing as a corporate governance tool in Nigeria. The specific objectives are to:

- i. Critically analyse the concept of whistleblowing and its theoretical underpinnings as a component of corporate governance.
- ii. Examine and evaluate the adequacy of the existing legal and institutional framework for whistleblowing in Nigeria.
- iii. Identify and discuss the socio-cultural, legal, and practical challenges inhibiting effective whistleblowing in Nigeria.
- iv. Propose viable recommendations for a robust, effective, and culturally-sensitive whistleblowing framework in Nigeria.

1.4 Research Questions

- i. What are the conceptual and theoretical foundations of whistleblowing within corporate governance?
- ii. How adequate is the existing legal and institutional framework governing whistleblowing in Nigeria?
- iii. What are the major challenges and impediments to effective whistleblowing policies in Nigeria?
- iv. What comparative lessons can be drawn from the whistleblowing regimes of more developed jurisdictions?

1.5 Significance of the Study

This study possesses substantial theoretical, practical, and policy relevance to the discipline of law and the broader field of corporate governance. It situates whistleblowing within the legal architecture of accountability, transparency, and ethical compliance in Nigeria's corporate environment, thereby contributing to an emerging body of scholarship on governance reform and anti-corruption jurisprudence.

From a theoretical standpoint, this research deepens the legal understanding of whistleblowing as an essential corporate governance mechanism. It interrogates the relationship between law, ethics, and organizational accountability by examining how whistleblowing complements existing governance structures in promoting integrity and compliance. The study contributes to doctrinal and conceptual discourse by analysing whistleblowing within the framework of corporate law, administrative justice, and labour protection. In doing so, it extends the theoretical boundaries of Nigerian corporate governance scholarship and offers an analytical foundation for future research on the intersection of law, ethics, and institutional accountability.

Practically, this study provides critical insights for corporate regulators, policy implementers, and private sector institutions. By appraising the operational realities of whistleblowing in Nigeria—such as weak institutional enforcement, fear of retaliation, and inadequate protection—it offers empirical and normative recommendations for strengthening internal reporting systems. The findings will assist corporations in developing legally sound and ethically responsive whistleblowing frameworks that safeguard employees, deter malfeasance, and enhance corporate compliance. For practitioners, such as compliance officers, internal auditors, and legal advisors, the study furnishes a valuable reference for designing governance policies aligned with global best practices.

Legally, the study underscores the necessity for comprehensive whistleblower protection legislation in Nigeria. It exposes the fragmentation and insufficiency of existing regulatory instruments and advocates for statutory consolidation to ensure effective protection, confidentiality, and redress mechanisms for whistleblowers. The study's recommendations will be useful to lawmakers, regulators, and anti-corruption bodies—such as the EFCC, ICPC, and the Securities and Exchange Commission—in reforming the legal framework governing corporate accountability. Moreover, it advances Nigeria's compliance with international obligations under instruments such as the United Nations Convention against Corruption (UNCAC) and aligns with comparative standards established within the European Union and other jurisdictions.

On a broader plane, the study bears social and developmental importance by reinforcing the role of whistleblowing in promoting transparency, good governance, and the rule of law. By encouraging disclosures of wrongdoing and strengthening institutional integrity, whistleblowing contributes to the fight against corruption and the promotion of ethical public administration.

This research thus supports the realization of sustainable development objectives, fosters public confidence in governance institutions, and contributes to the evolution of a more transparent and accountable corporate culture in Nigeria. Ultimately, it demonstrates that effective legal protection for whistleblowers is indispensable to achieving democratic governance, economic stability, and the entrenchment of justice within corporate and public sectors alike.

1.6 Scope of the Study

This study focuses on examining whistle-blowing as an essential instrument of corporate governance within the Nigerian context. It investigates the extent to which whistle-blowing mechanisms contribute to transparency, accountability, and ethical compliance in both public and private sector organizations in Nigeria. The study is limited to analyzing the awareness, effectiveness, and challenges of existing whistle-blowing policies and practices among selected corporate institutions, regulatory agencies, and relevant stakeholders. The geographical scope of the research is confined to Nigeria, with specific case studies drawn from organizations operating within key sectors such as banking, oil and gas, and public service. The study covers the legal and institutional frameworks governing whistle-blowing in Nigeria, including the roles of agencies like the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), and the Federal Ministry of Finance's whistle-blower policy. Temporal coverage is limited to whistle-blowing activities and developments between 2016—when the federal whistle-blower policy was introduced—and 2025. The study does not extend to informal whistle-blowing or non-corporate environments. It also does not focus on comparative analysis with other countries, although relevant references may be made to strengthen the argument. This scope ensures a focused investigation into how

whistle-blowing practices are shaping corporate governance in Nigeria and the extent to which they deter corruption, promote ethical standards, and strengthen institutional integrity.

1.7 Methodology

In order to comprehend the handling of whistleblowing incidents and determine the responsibilities of managers and other stakeholders in the whistleblowing process, this study took a conceptual approach, drawing on existing literature. It used conceptual modelling of systems dynamics and offered a better way to deal with the difficulties of interpretation and whistleblowing in Nigerian organisations.

1.8 Operational Definition of Terms

Whistle-Blowing: Whistle-blowing refers to the act of exposing wrongdoing, unethical conduct, fraud, or illegal activities within an organization by an employee or insider. This study specifically relates to the formal or informal reporting of corporate misconduct to internal authorities or external regulatory bodies in Nigeria.

Whistle-Blower: A whistle-blower is an individual—usually an employee, former employee, or stakeholder—who discloses information about unethical, illegal, or improper practices within an organization with the intent of initiating corrective action. The person may choose to remain anonymous or disclose their identity depending on the level of protection provided.

Corporate Governance: Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses mechanisms that ensure accountability, transparency, fairness, and ethical behavior among corporate stakeholders, including management, employees, shareholders, and regulators.

Corporate Governance Tool: This term describes any mechanism, process, or strategy used to enhance ethical standards, promote accountability, and ensure compliance within corporate

structures. In this context, whistle-blowing is examined as a strategic tool used to strengthen corporate governance.

Ethical Standards: Ethical standards are the principles that guide the behavior and decision-making processes within organizations. They include honesty, integrity, fairness, and adherence to both legal and moral obligations.

Fraud and Corruption: Fraud involves intentional deception to secure unfair or unlawful gain, while corruption refers to abuse of entrusted power for private gain. Both are common issues in Nigerian corporate and public institutions and are key targets of whistle-blowing efforts.

Regulatory Bodies: These are official institutions established by law to oversee and enforce compliance with corporate and ethical standards. In Nigeria, relevant bodies include the EFCC (Economic and Financial Crimes Commission), ICPC (Independent Corrupt Practices and Other Related Offences Commission), and the Securities and Exchange Commission (SEC).

Nigerian Whistle-Blower Policy (2016): This is a federal government initiative introduced in 2016 to encourage individuals to report financial and other related crimes by offering monetary rewards and legal protection to whistleblowers.

Transparency: Transparency refers to the openness and clarity with which organizations conduct their operations, including the free flow of information to stakeholders. It is a critical element in both whistle-blowing and corporate governance.

Accountability: Accountability involves holding individuals and organizations responsible for their actions, particularly in managing resources, complying with rules, and delivering results. Whistle-blowing plays a key role in promoting accountability.

Chapter Two

Literature Review

This chapter provides a comprehensive review of relevant literature on whistleblowing as a corporate governance tool. It examines conceptual, theoretical, and empirical perspectives that form the foundation of this study. The review begins with an exploration of the concept and motivations of whistleblowing, followed by a discussion of the theoretical frameworks underpinning the phenomenon, including Agency Theory and Stakeholder Theory. It then analyzes the role of whistleblowing in strengthening corporate governance through fraud prevention, transparency enhancement, internal control, and ethical culture development.

2.1 Conceptual Review

2.1.2 Concept of Whistleblowing

Whistleblowing is generally defined as the act of disclosing information about illegal, unethical, or harmful activities occurring within an organization. This disclosure can be directed either internally (within the organization) or externally (to the public, regulatory bodies, or the media). Whistleblowers may report misconduct such as corruption, fraud, abuse, safety violations, environmental harm, or other forms of wrongdoing. The primary purpose of whistleblowing is to alert authorities or the public to a threat or injustice that requires immediate attention or correction³¹. The ethical justification for whistleblowing stems from a commitment to

³¹ Visslan. "What Is the Difference Between Internal and External Whistleblowing?" Visslan. Last modified March 10, 2021. <https://www.visslan.com/en-blog/what-is-the-difference-between-internal-and-external-whistleblowing?>

transparency and the public good. Whistleblowers play a pivotal role in preventing or exposing wrongdoing that could cause substantial harm if left unchecked. However, whistleblowing can have complex legal and social consequences, making the decision to report misconduct a potentially risky and difficult one for employees³¹. Moreover, the motivations behind whistleblowing and the paths through which disclosures are made can significantly impact both the whistleblower and the organization involved.

One of the most significant distinctions in the whistleblowing process is whether the disclosure occurs internally or externally. Each approach carries unique advantages and challenges for the whistleblower, the organization, and the public. Internal whistleblowing refers to the act of reporting misconduct to authorities or entities within the organization itself. This may include reporting to a supervisor, manager, internal compliance officer, or a designated ethics hotline. Internal whistleblowing is often seen as the first line of defense for organizations to identify and address issues before they escalate. It is perceived as more confidential and less risky than external reporting, as the whistleblower does not expose the organization's issues to the outside world. Furthermore, many organizations establish whistleblower protection policies to safeguard individuals who report misconduct internally³².

The main advantage of internal whistleblowing is that it gives the organization an opportunity to address and rectify the issue without external interference. This can preserve the organization's reputation and avoid the potential legal and financial consequences that may result from external reporting. Moreover, internal whistleblowing may allow for a more nuanced approach to

³² Clym. "Internal vs. External Whistleblowing: Key Differences, Benefits, and Legal Protections." Clym. Last modified November 19, 2021. <https://www.clym.io/blog/internal-vs-external-whistleblowing-key-differences-benefits-and-legal-protections?>

resolving conflicts, where the organization has the chance to investigate the matter thoroughly and take corrective actions³². However, internal whistleblowing can also be problematic. In cases where the organization has a culture of retaliation or the misconduct involves senior leadership, the whistleblower may face significant risks, such as job loss, harassment, or damage to their professional reputation. As a result, some whistleblowers may hesitate to report issues internally, fearing that their concerns will not be adequately addressed or that they will be punished for speaking out³¹.

External whistleblowing occurs when an individual reports misconduct to external authorities or the general public. This may include regulatory bodies such as government agencies, law enforcement, or even the media. External whistleblowing often arises when internal reporting mechanisms are unavailable, ineffective, or compromised. For example, if a whistleblower fears that the organization will retaliate or cover up the issue, they may choose to escalate their report to external entities³². While external whistleblowing can be an effective tool for exposing serious misconduct, it can also be risky for the individual making the disclosure. The whistleblower may face professional, social, or legal consequences, including defamation claims or the loss of employment. Moreover, the organization in question may suffer reputational damage, legal sanctions, or financial penalties. In some cases, external whistleblowers may even face criminal charges for unauthorized disclosure of confidential information³¹.

However, external reporting can also serve as a critical safeguard for society, especially in instances where internal reporting may not be effective. For example, when regulatory authorities or journalists expose corporate or governmental misconduct, the findings may lead to reforms, public awareness, and legal action. Additionally, external whistleblowing often generates public interest and political pressure that can compel organizations to correct their

actions³¹. The motivations behind whistleblowing can significantly influence how reports are received and the legal protections available to the whistleblower. Whistleblowing can be classified as either good faith or malicious, depending on the intent and truthfulness of the allegations made. Good faith whistleblowing occurs when an individual reports misconduct based on a genuine belief that illegal or unethical activity has taken place. In good faith whistleblowing, the whistleblower may not necessarily have complete evidence but acts with the sincere intention of protecting public interest or upholding ethical standards. The key element of good faith is that the whistleblower believes, to the best of their knowledge, that the reported information is true. Good faith whistleblowers are generally protected from retaliation under various laws, such as the Sarbanes-Oxley Act in the United States, which safeguards employees who report securities violations in good faith³³.

Whistleblowing in good faith is often seen as a vital mechanism for improving organizational behavior, as it enables the detection and correction of problems that might otherwise remain hidden. Moreover, employees who report misconduct in good faith help foster a culture of accountability and ethical responsibility within the organization. However, it is important to note that even good faith whistleblowers may sometimes be mistaken, and not all allegations turn out to be accurate. Nevertheless, as long as the whistleblower acts in good faith, they are typically granted legal protection from retaliation³³. Malicious whistleblowing, in contrast, refers to the act of making false or exaggerated claims with the intent to harm an individual, organization, or both. In some cases, malicious whistleblowing can be motivated by personal animus, such as revenge or a desire to damage someone's reputation. Malicious reports can have serious consequences for

³³ Kingsiegel. "Mistaken Whistleblower Claims: What Happens When Allegations Are False?" Kingsiegel. Last modified May 17, 2021. <https://www.kingsiegel.com/blog/mistaken-whistleblower-claims/>

both the accused and the whistleblower, leading to defamation lawsuits, damage to careers, and the loss of legal protections. Legal frameworks often differentiate between good faith and malicious reporting. Malicious whistleblowing is not generally protected under whistleblower protection laws, and individuals who make false or defamatory claims may be subject to legal actions³³. It is crucial for organizations to develop clear policies and procedures for investigating whistleblowing claims to distinguish between genuine reports and malicious allegations. Additionally, transparency in the handling of whistleblower complaints can prevent undue harm to individuals or organizations when false claims are made.

2.1.3 The Whistleblower: Motivations

Altruism is one of the most common motivations behind whistleblowing. Altruistic whistleblowers are motivated by a desire to protect others, typically the public, from harm or unethical practices. These individuals report wrongdoing to ensure the welfare of others, whether it is to safeguard public health, prevent environmental damage, or protect consumers. Studies on whistleblowing often highlight altruistic motives as the primary driver, with whistleblowers seeing their actions as a moral responsibility³⁴. Altruism is particularly prevalent in public service sectors where individuals have strong commitments to ethical behavior and public trust. Research in the healthcare sector, for example, shows that professionals are more likely to blow the whistle on unsafe medical practices due to their moral obligation to patient safety³⁵. Similarly, employees in organizations with a strong ethical culture are often motivated by a sense of duty toward their profession and the community they serve. Altruistic whistleblowers are generally

³⁴ Miceli, Marcia P., and Janet P. Near. *Blowing the Whistle: The Organizational and Legal Implications for Employees*. The Journal of Social Issues 48, no. 3 (1992): 19–39.

³⁵ Dworkin, T. M. *Whistleblower Protection: A Guide for Health Care Professionals*. Healthcare Management Review 26, no. 1 (2001): 13–22.

seen as selfless individuals who put the greater good ahead of personal interests, including potential career repercussions. However, while altruistic motives may serve to promote positive societal change, they also expose the whistleblower to significant personal and professional risks, such as retaliation or social ostracization³⁴.

Another motivation for whistleblowing is personal revenge. Some individuals blow the whistle as a response to perceived injustice, personal harm, or mistreatment within the organization. Revenge-driven whistleblowers are not necessarily motivated by a desire to protect others but instead seek to retaliate against those who they feel have wronged them. This form of whistleblowing is often more driven by personal grievances, such as workplace bullying, discrimination, or unfair treatment, rather than ethical or moral concerns about the wrongdoing itself. Research indicates that individuals who feel mistreated or alienated within an organization may report misconduct as an act of retaliation against those responsible for their grievances³⁶. Revenge-driven whistleblowers may also use their disclosures as a means to regain control or power within the organization or to harm the organization itself. These individuals may perceive their whistleblowing actions as a form of retribution for injustices they have faced, whether it involves unfair promotions, harassment, or other negative experiences in the workplace. This form of whistleblowing can be problematic, as it may undermine the credibility of the whistleblower and reduce the impact of the whistleblowing process itself. However, it is important to acknowledge that revenge can often be interlinked with other motivations, such as a

³⁶ Cheeks, Richard. *Whistleblowing in Organizations: A Comprehensive Review of Literature*. 2006. Accessed October 13, 2025. richardcheeks.com.

desire for justice or reparation, particularly when whistleblowers feel that no other recourse for addressing their grievances exists³⁷.

Duty-bound whistleblowers are individuals who feel an ethical or professional obligation to report misconduct, irrespective of personal benefits or harms. This motivation can be particularly strong in fields where professionals are held to high ethical standards, such as healthcare, law, finance, and law enforcement. Professionals in these sectors often have a duty to report unethical conduct to protect their clients, patients, or the general public from harm. Whistleblowing driven by a sense of duty is deeply tied to the ethical frameworks that guide these professions. In the healthcare sector, for example, doctors, nurses, and other healthcare professionals may feel compelled to report violations of safety standards, patient abuse, or malpractice because of their professional duty to protect patient health and welfare. Similar motivations are seen in law enforcement, where officers may blow the whistle on corruption or illegal activities within their ranks to uphold the law and ensure justice. According to studies, individuals motivated by duty are typically more resilient to the potential risks of retaliation because their actions are based on a strong sense of moral obligation rather than personal interests³⁸.

Duty-driven whistleblowing is often seen as the most ethically sound form of reporting, as it is primarily motivated by the desire to do what is right. However, it can also place considerable pressure on the individual, as they must balance their professional obligations with the risks involved in exposing wrongdoing.

³⁷ Lange, David. *Whistleblowing and Organizational Justice*. Journal of Business Ethics 102 (2) 2013; 373–393.

³⁸ Jubb, P. B. *Whistleblowing: A Supportive Approach*. Public Administration Review 59 (2), 1999, 8–15.

In addition to understanding the motivations behind whistleblowing, it is important to explore the different typologies that classify whistleblowers based on their behaviors and reporting strategies. These typologies help organizations understand the different ways in which whistleblowers engage with their systems and the potential impact on organizational practices. A key distinction in whistleblower typology is between internal and external whistleblowers. Internal whistleblowers are those who report misconduct within their organization, often through designated reporting channels such as ethics hotlines or supervisors. External whistleblowers, on the other hand, report wrongdoing to external entities, such as government agencies, regulators, or the media. The decision to blow the whistle internally or externally is often influenced by factors like the perceived effectiveness of internal reporting mechanisms, the severity of the misconduct, and concerns about retaliation³⁴.

Internal whistleblowing can be seen as a less risky route, as it often allows the organization the opportunity to address the issue without involving external parties. However, when internal channels are ineffective or compromised, whistleblowers may resort to external reporting. Research has found that external whistleblowers are more likely to face significant retaliation and career repercussions, yet they often view their actions as necessary to protect broader societal interests³⁸. Another important distinction is between formal and informal whistleblowers. Formal whistleblowers adhere to established reporting protocols and often follow a structured process for reporting misconduct. This can include filing a formal complaint or using designated internal mechanisms, such as an ethics hotline. Informal whistleblowers, however, may disclose misconduct through less formal means, such as casual conversations or social media platforms. Informal whistleblowing can serve as a precursor to formal reporting or can function as an alternative route for those who perceive formal channels as ineffective or unsafe³⁴.

2.1.4 Psychological Factors Influencing Whistleblowing

Whistleblowing is ultimately a psychological act as much as it is a legal or organizational one: an individual must notice wrongdoing, appraise its moral significance, weigh personal and social costs, anticipate organizational responses, and form an intention to speak up through a specific channel. A foundational way to understand this process comes from Near and Miceli's work, which framed whistleblowing as "organizational dissidence" shaped by motivation, power relations, and perceived wrongdoing; they emphasized that decisions unfold as people move from awareness to reporting while anticipating authority reactions and possible retaliation³⁹. This lens makes the individual's cognition, affect, and social context central: when employees believe they can influence outcomes, that leaders will listen, and that retaliation risks are manageable, whistleblowing is more likely; when they anticipate futility, blame, or punishment, silence prevails. Decades of empirical research since that foundational framing has examined personal traits (e.g., moral courage), attitudes (e.g., toward the act of reporting), beliefs about control (e.g., perceived behavioral control), norms (e.g., what peers and leaders expect), and situational appraisals (e.g., seriousness of wrongdoing), all interacting with organizational climates such as ethical culture and psychological safety. Together, these factors predict whether the latent impulse to correct wrongdoing becomes voiced concern or remains private distress⁴⁰.

One robust explanatory frame is the Theory of Planned Behavior (TPB), applied to whistleblowing by Park and Blenkinsopp. TPB holds that behavior is predicted by attitudes

³⁹ J. P., Near & M.P. Miceli. Organizational dissidence: The case of whistle-blowing. *Journal of Business Ethics*, 4(1), 1985, 1–16.

⁴⁰ J. Dungan, A. Waytz & L. Young. The psychology of whistleblowing. *Current Opinion in Psychology*, 6, 2015, 129–133.

toward the behavior, subjective norms about whether valued others approve, and perceived behavioral control (self-efficacy plus situational enablement). When employees hold positive attitudes toward reporting, perceive that important referents (managers, peers, profession) approve, and feel capable of acting through accessible channels, their intention to blow the whistle increases, which in turn predicts behavior. Conversely, negative attitudes (e.g., “whistleblowing is betrayal”), perceived disapproval by peers or supervisors, and low perceived control (e.g., “hotlines don’t work,” “anonymous reports are traceable”) suppress intention. In empirical tests, TPB constructs explained meaningful variance in whistleblowing intentions and, to a lesser extent, actions, consistent with other ethical decision-making contexts. The TPB focus on intention is helpful because many psychological variables—moral outrage, anticipated regret, fear, loyalty conflicts—feed into the three TPB antecedents. For example, moral outrage and anticipated regret often strengthen attitudes favoring disclosure, while loyalty conflicts and fear of ostracism shape subjective norms, and familiarity with reporting procedures bolsters perceived control. TPB does not claim to exhaust every influence, but it provides a precise scaffold for integrating diverse psychological determinants into a coherent predictive model that organizations can target via training (attitudes), role-modeling and peer advocacy (norms), and process design (control)⁴¹.

A complementary ingredient in the decision calculus is moral intensity—the perceived seriousness and characteristics of the ethical issue itself. Drawing on Jones’s issue-contingent model, moral intensity comprises features such as magnitude of consequences, social consensus that an act is wrong, temporal immediacy, proximity to victims, and probability of effect. These

⁴¹ H. Park & J. Blenkinsopp. Whistleblowing as planned behavior—A survey of South Korean police officers. *Journal of Business Ethics*, 85(4), 2009, 545–556.

features heighten moral awareness, clarify judgment, and increase intention to act; employees are more likely to report conduct when harms are large, consensus is strong, victims feel “close,” consequences are imminent, and wrongdoing is likely to cause damage. Empirical studies show that greater moral intensity increases moral awareness and intention, even after controlling for personal traits, by focusing attention and reducing moral ambiguity. In practice, this means organizations that surface the concrete harms of misconduct—for example, tying compliance breaches to patient safety or customer harm—can shift employees’ appraisal of intensity and thereby encourage speaking up. Conversely, when harms feel diffuse, delayed, or abstract (“no one is getting hurt”), employees often discount the need to report. Importantly, moral intensity can interact with TPB components: a high-intensity event can shift attitudes and subjective norms rapidly, spur moral emotions like anger and compassion, and generate a sense of obligation that overcomes fear⁴².

Meta-analytic evidence gives a quantitative snapshot of which correlates matter most. Mesmer-Magnus and Viswesvaran reviewed dozens of samples and found that contextual and wrongdoing characteristics generally predict whistleblowing more strongly than static demographics; age shows a small positive effect, gender effects are inconsistent, and tenure can cut either way depending on norms and dependence on the employer. By contrast, stronger perceived wrongdoing severity, supportive climates, and accessible internal channels are consistently linked to both intention and action. The meta-analysis also distinguishes between predictors of intention and actual behavior: for instance, general attitudes and moral reasoning

⁴² T.M. Jones. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16(2), 1991, 366–395.
<https://doi.org/10.5465/amr.1991.4278958>

often correlate more with intention, while instrumental factors like retaliation risk and channel accessibility are more proximal to action. Finally, the review noted that retaliation is more likely in external reporting cases than internal ones, though retaliation is not inevitable and varies by organizational response—an important caveat that shapes risk calculations and the psychology of “voice vs. exit.” In short, the quantitative synthesis affirms that what the situation affords (or threatens) often weighs more than who the person “is,” highlighting the primacy of context in designing effective speak-up systems⁴³.

Among contextual levers, psychological safety is pivotal. Edmondson defines team psychological safety as a shared belief that the team is safe for interpersonal risk-taking—people can speak up, admit mistakes, or raise concerns without fear of embarrassment, rejection, or punishment. Field studies show that teams with higher psychological safety engage in more learning behaviors, error reporting, and voice, even when controlling for performance pressure. For whistleblowing, psychological safety lowers the perceived interpersonal costs of voicing concerns and reframes reporting as contribution rather than deviance. Importantly, psychological safety is not mere niceness: it coexists with accountability and standards, but it ensures that concerns are met with inquiry, not blame. Leaders cultivate it by responding appreciatively to early weak signals, normalizing fallibility, and visibly acting on concerns. Without it, individuals anticipate social sanctions—being labeled disloyal, alarmist, or incompetent—and rationally choose silence or anonymous external channels, each with higher risks of retaliation. Psychological safety also interacts with moral intensity and TPB: when safety is high, moral

⁴³ J.R. Mesmer-Magnus & C. Viswesvaran. Whistleblowing in organizations: An examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of Business Ethics*, 62(3), 2005, 277–297.

intensity translates more readily into intention and action because subjective norms favor speaking up and perceived control is higher⁴⁴.

Leadership behavior further shapes whether whistleblowing feels feasible and valued. Detert and Burris found that “managerial openness”—leaders soliciting input, listening nondefensively, and acting on suggestions—predicted employee voice above and beyond transformational leadership per se. Subsequent research shows that ethical leadership, by modeling normatively appropriate conduct and using reward and punishment fairly, increases voice through greater affective commitment and an error-management climate where reporting is framed as learning rather than blame. Leaders’ reactions to past reports become a living archive of organizational memory; if challenging voice is punished, employees infer that speaking up signals low performance and low loyalty in managers’ eyes, which depresses future voice. Conversely, when leaders publicly close the loop on concerns—sharing what was heard and what will be done—employees’ perceived behavioral control and norms shift in favor of disclosure. This dynamic underscores a psychological truth: people do not speak into a void; they speak into relationships. Therefore, leadership that consistently responds constructively can rewire the psychological calculus underlying whistleblowing across teams and time⁴⁵.

Beyond climate and leadership, the psychology of whistleblowing is also a struggle between moral motives. Dungan, Waytz, and Young argue that whistleblowing often pits fairness and harm concerns (exposing wrongdoing to protect victims or the public) against loyalty and

⁴⁴ A. Edmondson. Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 1990, 350–383.

⁴⁵ J.R. Detert & E.R. Burris. Leadership behavior and employee voice: Is the door really open? *Administrative Science Quarterly*, 52(4), 2007, 869–904.

authority concerns (protecting the group's reputation and respecting hierarchy). When fairness-harm motives dominate, people judge whistleblowing as morally praiseworthy; when loyalty-authority motives dominate, they judge it as betrayal. Individual differences in moral foundations and group identity salience thus color attitudes and subjective norms. Moreover, moral framing by leaders—e.g., framing reporting as “loyalty to our mission and customers” rather than “turning in your colleagues”—can harmonize fairness and loyalty, reducing the internal conflict that paralyzes potential whistleblowers. Experimental and field studies show that stronger moral concerns can predict disclosure even when organizational factors are controlled; still, how those concerns are narrated within the group matters for whether employees experience internalized stigma for speaking up. In practical terms, ethics training that highlights real harms and frames whistleblowing as fidelity to shared values, not disloyalty to people, can shift the perceived moral meaning of voice².

Perceived justice also shapes willingness to report. Organizational justice perceptions—distributive (fair outcomes), procedural (fair processes), interpersonal (respectful treatment), and informational (adequate explanations)—are robust predictors of many work behaviors. Employees who perceive fair processes and respectful treatment are more likely to believe that concerns will be considered impartially and less likely to fear retaliatory or arbitrary responses. Experimental and field evidence suggests that higher justice perceptions correlate with stronger whistleblowing intentions, while low justice creates a sense that “the game is rigged,” encouraging defensive silence or external disclosure when internal channels are distrusted. Justice also interacts with ethical culture: Kaptein's Corporate Ethical Virtues (clarity, congruency, feasibility, supportability, transparency, discussability, sanctionability) mirror the psychological cues employees read when deciding whether to speak—Do leaders walk the talk?

Are resources sufficient to comply? Can we openly discuss dilemmas? Is wrongdoing consistently sanctioned? When these virtues are visible, attitudes and norms shift toward responsible reporting. Combining justice practices (e.g., transparent investigations, dignified treatment of reporters) with ethical-culture design provides psychological assurances that disclosure is not self-sabotage⁴⁶. Conversely, psychological mechanisms of silence inhibit whistleblowing even in the face of clear wrongdoing. Pinder and Harlos distinguish acquiescent silence (withholding ideas from resignation or futility) and quiescent silence (withholding out of fear of negative consequences). Both are rational responses to climates where speaking up is ineffective or dangerous. Employees learn from observing others' experiences: if previous reporters were ignored (futility) or punished (fear), silence spreads through social learning and affects the subjective norm component in TPB. Over time, silence can become a climate—what Morrison and Milliken called a “climate of silence”—where it is widely believed that raising problems is pointless or risky. Breaking such climates requires “vicarious safety” experiences: seeing someone else report safely and seeing leadership act on concerns. That is why protections against retaliation are not only legal safeguards but also psychological signalers that reduce fear and disconfirm futility. Without such signals, even high moral intensity and strong ethical convictions may not cross the intention–action threshold, because individuals anticipate social costs they feel unable to bear⁴⁷.

⁴⁶ J. A. Colquitt. On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, 86(3), 2001, 386–400.

⁴⁷ C.C. Pinder & K.P. Harlos. Employee silence: Quiescence and acquiescence as responses to perceived injustice. *Research in Personnel and Human Resources Management*, 20, 2001, 331–369.

Anticipated retaliation is one of the most powerful deterrents, and unfortunately it is not merely imagined. Research across sectors documents elevated risks of bullying, ostracism, career stagnation, and mental-health strain following external whistleblowing, and sometimes even after internal reporting. Studies report higher rates of depression, anxiety, and stress-related symptoms among whistleblowers compared to the general population; qualitative work details tactics such as work overload, isolation, and reputational smearing. These threats loom large in the psychological calculus, strengthening quiescent silence and pushing potential reporters to seek anonymity or exit. A critical implication is that strong anti-retaliation mechanisms, rapid credible investigations, and visible support services (e.g., confidential counseling) function as psychological buffers. They reduce the expected personal cost term in the decision and, by signaling institutional commitment, shift norms in favor of voice. Absent such buffers, employees understandably protect themselves, especially when they depend on the employer economically or lack mobility, factors that magnify the perceived cost of courage⁸.

Another set of psychological drivers involves emotions and anticipated affect. Moral emotions like anger, disgust, and compassion increase the salience of harm and can push attitudes toward action; anticipated regret—imagining future self-reproach for remaining silent—can strengthen intention to speak. At the same time, anticipated shame (for violating loyalty norms) and fear (of retaliation) inhibit action. Organizational narratives modulate these emotions: when leaders tell stories that valorize responsible reporting and connect it to protecting patients or customers, employees are more likely to experience moral elevation and pride linked to disclosure. Conversely, narratives that equate loyalty with silence activate shame in would-be reporters and fuel defensive group conformity. Because emotions are contagious, the emotional tone of leaders' responses—thanking reporters, acknowledging discomfort, and expressing moral

concern—can shift team affect and lower the emotional cost of voice for everyone. Over time, such affective scripts become part of culture, changing the default emotional predictions employees make when contemplating whistleblowing⁶.

The design and credibility of reporting channels exert powerful psychological effects via perceived behavioral control. If channels are simple, confidential, available in multiple modalities (in-person, digital, hotline), and staffed by trusted people, employees' perceived control rises and intention is more likely to convert to action. Conversely, opaque procedures, slow responses, or prior non-action (no feedback) breed learned futility. Channel design also interacts with threat appraisals: anonymity reduces perceived interpersonal risk but can reduce perceived efficacy if employees expect anonymous reports to be ignored; hybrid models—confidential named reports protected by clear anti-retaliation policies—can balance the tradeoff. The “close the loop” step is psychologically pivotal: when managers acknowledge receipt, provide timelines, and later communicate outcomes or reasons for limits, they reinforce beliefs that speaking up works, reshaping both subjective norms and control beliefs. Over time, these micro-signals accumulate into a macro-belief that the organization treats reports as acts of commitment, not treachery⁵.

Finally, it is worth noting the long-term psychological consequences for those who blow the whistle and the secondary prevention factors that mitigate harm. Evidence from surveys and clinical studies shows that whistleblowers can face sustained stress, depressive symptoms, and social isolation, particularly in contexts where retaliation is unchecked or investigations drag on. Bullying—both vertical (from superiors) and horizontal (from peers)—takes subtle forms like unreasonable workloads, menial assignments, or exclusion from networks; these tactics inflict injury by eroding identity and belonging. However, protective factors exist: timely, fair

procedures (procedural justice), respectful interpersonal treatment (interactional justice), peer support groups, and access to counseling services can significantly reduce distress. Moreover, when organizations honor reporters—protecting confidentiality, preventing reprisal, and publicly translating reports into safety improvements—they rewrite the social meaning of whistleblowing from deviance to contribution, which helps future potential reporters make different psychological predictions about costs and rewards. In this way, the cycle can become virtuous rather than vicious: each well-handled report builds the climate that encourages the next act of courage³.

Taken together, the psychology of whistleblowing reveals that no single lever suffices. Attitudes shaped by moral intensity and emotions, subjective norms shaped by leadership and peers, and perceived control shaped by channel design and justice practices all feed into intention. Whether intention becomes action depends on the balance of expected personal and social costs against moral motives and identity commitments. Psychological safety and ethical culture amplify the voice-supporting side of that balance by lowering interpersonal risk, signaling fairness, and honoring values; retaliation and silence climates do the opposite by elevating fear and futility. Interventions thus work best when they target the full chain: build ethical culture (clarity, congruency, discussability, sanctionability), strengthen justice (procedural and interpersonal fairness), train leaders in open, nondefensive responses, provide multiple credible channels with feedback and protections, and develop individual capacities (moral courage, efficacy, emotion regulation) through practice and peer support. With those conditions in place, whistleblowing ceases to be an extraordinary, heroic act and becomes a normalized, prosocial contribution to collective integrity and safety. That shift is not merely structural—it is psychological, built one interaction at a time⁶.

2.1.5 Organizational Factors Influencing Whistleblowing

Organizational ethical culture is a pivotal factor that influences whistleblowing. An ethical culture fosters an environment where moral values such as integrity, transparency, and accountability are not only promoted but also practiced by leaders and employees. Organizational ethics and social climate shape employees' behaviors, especially in how they perceive the organization's stance on ethical issues. A positive ethical climate encourages employees to report wrongdoing, as they believe it aligns with organizational values⁴⁸. In contrast, a poor ethical climate characterized by fear, silence, and corruption discourages reporting due to the perceived risk of retaliation or organizational indifference⁴⁹. Research has consistently shown that when ethical culture is strong, employees are more likely to feel that speaking up is both supported and valued⁴⁸.

The leadership within an organization plays a crucial role in setting the tone for whistleblowing. Leaders who demonstrate ethical behaviors and create an open environment for communication are more likely to foster a culture where whistleblowing is encouraged. Leadership is a key organizational factor influencing whistleblowing, with leaders who model ethical behaviors serving as role models for employees. The perception of leadership's commitment to ethical standards affects employees' willingness to report misconduct⁴⁸. When leaders publicly endorse whistleblowing procedures and demonstrate responsiveness to reports, employees are more

⁴⁸ D. Mrowiec. Factors influencing internal whistleblowing: A systematic review of the literature. *Journal of Ethics in Business & Leadership*, 14(1), 2022, 142-186.

⁴⁹ Z. Zakaria, M. Ahmad & M. Ali. Organizational culture and ethical climate as antecedents of whistleblowing intention in public sector organizations. *Journal of Business Ethics*, 130(4), 2015, 623-637.

likely to report unethical behavior⁵⁰. Conversely, when leadership fails to support whistleblowing or retaliates against whistleblowers, employees are discouraged from reporting out of fear of negative consequences⁵¹. Effective leadership is therefore integral to promoting whistleblowing, ensuring that employees feel secure in reporting misconduct without fear of retaliation.

Clear and accessible reporting mechanisms are fundamental in encouraging whistleblowing. Having well-defined policies and procedures for reporting unethical behavior assures employees that their concerns will be taken seriously. Organizational factors such as reporting channels and whistleblowing policies are critical in shaping employees' willingness to report misconduct⁴⁸. It was observed that organizations with explicit whistleblowing policies and training programs saw a significant increase in the number of reports⁵⁰. Moreover, anonymous reporting channels further enhance this effect, as employees feel protected from retaliation⁵¹. However, organizations that fail to establish transparent reporting systems or provide inadequate training on how to use these systems often see a reduction in whistleblowing activity⁵⁰. In organizations with poorly designed reporting structures, employees may perceive the channels as ineffective or unsafe, deterring them from using them.

Whistleblowing is an inherently risky act that often involves significant personal and professional costs. As such, organizational justice and the protection of whistleblowers are vital organizational factors that influence whether employees choose to report misconduct.

⁵⁰ P. Previtali, F. Fumagalli & A. Minoia. Whistleblowing in public administrations: The role of training, leadership, and organizational culture. *Public Administration Review*, 82(3), 2022, 2022, 499-510.

⁵¹ C. Chen. Organizational factors influencing whistleblowing intention: A systematic review. *Journal of Business Ethics*, 149(4), 2018, 1033-1052.

Organizational justice refers to the fairness with which employees believe they are treated, especially in terms of how their complaints are handled. Perceptions of justice, particularly procedural justice (fairness in processes) and distributive justice (fairness in outcomes), are crucial in shaping employees' willingness to report wrongdoing⁴⁸. If employees perceive the whistleblowing process as fair and just, they are more likely to report unethical behavior. Perceived retaliation and fear of personal harm, such as career damage or public disgrace, are significant deterrents to whistleblowing⁵¹. Thus, organizations must implement safeguards to protect whistleblowers from retaliation, ensuring that their reports are taken seriously and that they are not penalized for speaking up⁵⁰.

Effective communication and training on whistleblowing procedures are vital to fostering a culture of transparency. Employees must not only be aware of what constitutes misconduct but also understand how to report it and what protections are available to them. The role of communication and education in promoting whistleblowing has been discussed with emphasizes on regularly train employees on whistleblowing procedures and ethical expectations⁴⁸. Training programs help employees recognize unethical behavior and understand the importance of reporting it. It was found that training and education programs were significantly correlated with higher rates of whistleblowing. Without proper training, employees may be unaware of their rights or may feel uncertain about how to report their concerns, leading to underreporting. Therefore, organizations must prioritize communication and training to ensure that employees feel confident in their ability to report misconduct⁴⁹.

The structure of an organization also plays a role in influencing whistleblowing behavior. Larger organizations or those with more complex hierarchical structures may present more challenges for whistleblowers. Organizational size and formalization can impede whistleblowing, as larger

organizations may have more bureaucratic processes that make reporting difficult or intimidating. Additionally, in highly formalized organizations, reporting channels may be unclear, and employees may be concerned about the anonymity of their reports⁴⁸. On the other hand, smaller, less hierarchical organizations may find it easier to establish direct communication channels and foster closer relationships between employees and leaders, which can encourage reporting⁴⁹. Therefore, it is important for organizations of all sizes to ensure that their structures and processes are conducive to whistleblowing, whether by simplifying reporting channels or reducing the hierarchical barriers to speaking up.

The social climate within an organization—how employees interact with one another and how whistleblowing is perceived by peers—also influences whether individuals will report misconduct. The social climate, including collective norms and peer support, plays a significant role in shaping employees' willingness to blow the whistle. When whistleblowing is seen as a norm within the organization, employees are more likely to report wrongdoing, as they feel supported by their colleagues⁴⁸. Conversely, if whistleblowing is stigmatized or punished, employees may be reluctant to report due to fear of being ostracized or labeled as a troublemaker⁵¹. Fostering a positive social climate in which ethical behavior is celebrated and supported by peers can encourage employees to feel that their actions will be welcomed rather than criticized.

2.2 Theoretical Framework

2.2.1 Agency Theory

Agency theory, first formalized by scholars like Jensen and Meckling, has been widely discussed across various fields, including economics, finance, accounting, and organizational behavior. Proponents of agency theory, such as Jensen and Meckling, argue that the relationship between principals (owners) and agents (managers) is inherently characterized by conflicts of interest and information asymmetry. This relationship creates the principal-agent problem, where the agent may act in their own best interest rather than the principal's. According to their foundational work, the costs associated with monitoring agents' behavior (monitoring costs), incentivizing them to align their interests with those of the principal (incentive costs), and dealing with the residual losses due to the misalignment of interests are all integral aspects of agency theory⁵².

One of the key aspects of agency theory is the concept of information asymmetry, where the agent has more information about their actions and the environment than the principal. This can lead to moral hazards, where the agent takes actions that benefit themselves but are detrimental to the principal⁵³. Eisenhardt's work expanded on agency theory by exploring how principals can design mechanisms, such as contracts and incentives, to mitigate these problems. Eisenhardt highlighted that the principal can use monitoring systems and performance-based compensation to reduce the effects of information asymmetry and align the interests of the agent with those of the principal⁴⁰.

In terms of whistleblowing, it can be seen as a tool to reduce agency problems by increasing transparency. The concept of whistleblowing aligns with the ideas proposed by proponents of

⁵² M. C. Jensen & W. H. Meckling, *Theory of the firm: Managerial behavior, agency costs, and ownership structure*, Journal of Financial Economics, 3 (4), 1976, 305-360.

⁵³ K. M. Eisenhardt, *Agency theory: An assessment and review*, Academy of Management Review 14 (1), 1989, 57-74.

agency theory, as it serves as an informal monitoring mechanism. Whistleblowing helps address the information asymmetry by enabling insiders (agents) to report mismanagement or unethical behavior, thereby allowing principals to take corrective actions⁵⁴. This aligns with the ideas of monitoring costs, as whistleblowing reduces the need for continuous surveillance by principals and provides an additional layer of accountability.

In agency theory, the principal-agent problem arises due to conflicts of interest between the principal (e.g., shareholders) and the agent (e.g., managers), compounded by information asymmetry. The principal seeks to maximize their wealth or achieve organizational goals, while the agent may pursue personal interests that conflict with the principal's objectives³⁹. This divergence of interests can lead to inefficiencies, moral hazards, and even adverse selection. The key issue here is that the principal cannot perfectly observe or control the agent's actions, leading to the potential for opportunistic behavior by the agent. To address this, agency theory emphasizes the role of incentive structures, monitoring, and governance mechanisms that aim to align the interests of both parties⁴⁰.

One prominent solution to the principal-agent problem is the use of whistleblowing as a monitoring mechanism. Whistleblowing serves as a tool to expose unethical or misaligned behavior by agents, helping the principal to detect and correct deviations from the agreed-upon actions. When an agent's actions are not fully transparent, whistleblowing can reveal misconduct, whether it involves financial mismanagement, ethical violations, or failure to meet performance standards. This corrective mechanism allows the principal to take timely action, realigning the

⁵⁴ S. Panda & N. Leepsa, *Agency theory: Review of the theory and current research*, Journal of Management Research 17 (2), 2017, 39-61.

agent's behavior with organizational goals. In this context, whistleblowing not only increases transparency but also acts as a deterrent to agents considering unethical conduct⁴¹.

The incentive structure is crucial in addressing agency problems. Without the right incentives, agents may act in their own interests rather than those of the principal. Classic examples of agency problems can be seen when executives pursue strategies that maximize their compensation or job security, even when these decisions do not benefit shareholders. Proper incentive schemes, such as performance-based bonuses, stock options, and other forms of variable compensation, can align the agent's behavior with the principal's goals. However, the challenge remains in ensuring that these incentives effectively motivate agents without encouraging risky or opportunistic behavior³⁹. Additionally, monitoring costs are another factor. The principal must invest in monitoring the agent's performance, and the costs associated with this monitoring can be substantial. Whistleblowing can mitigate these costs by serving as an informal monitoring tool, particularly when the principal has limited direct oversight⁵⁵.

It was emphasized that agency problems are widespread in both the private and public sectors. They discuss how the principal-agent theory has been applied to various organizational structures and how whistleblowing can be an effective tool in addressing the inherent conflicts of interest that exist. This allows principals to correct deviant behavior and realign agents' actions with organizational goals, thereby reducing the costs of inefficiencies and moral hazards⁴¹. Furthermore, Shapiro discusses the evolution of agency theory and its relationship to ethics and governance. Shapiro's work links agency theory to the moral foundations of business decisions and organizational behavior, suggesting that whistleblowing, in particular, has ethical

⁵⁵ F. Zogning, *Agency theory: A critical review*, European Journal of Business and Management 9 (2), 2017, 1-15.

dimensions. Whistleblowers often face significant personal and professional risks when exposing unethical behavior. As Shapiro suggests, effective whistleblowing mechanisms can act as safeguards in agency relationships, allowing for the detection of moral hazards that could otherwise go unchallenged⁵⁶.

Information asymmetry is a critical component of agency theory and contributes significantly to agency problems. In any agency relationship, the agent often possesses more information than the principal about their actions, intentions, and the external environment. This informational advantage allows the agent to pursue personal objectives that may not align with the principal's interests. The principal, unable to access all relevant information, must rely on indirect methods, such as performance outcomes, audits, or even whistleblowing, to assess the agent's behavior. In this context, whistleblowing becomes an essential mechanism to counterbalance information asymmetry by revealing information that the principal otherwise would not have access to, thereby addressing moral hazard and adverse selection issues⁴⁰.

Whistleblowing can also play a vital role in mitigating systemic agency problems, especially in large organizations or government agencies. The example of the Investigations and Threat Management Services (ITMS) in the US Department of Commerce illustrates the dangers of insufficient oversight and misaligned incentives within government agencies. In this case, agents were able to exploit their power and operate without sufficient accountability, which led to significant abuses. Whistleblowers within the organization helped expose these misdeeds, leading to necessary corrective actions. This highlights how whistleblowing can not only detect

⁵⁶ J. Shapiro, *Agency theory and business ethics*, Journal of Business Ethics 58 (4), 2005, 295-307.

individual wrongdoing but also address broader systemic issues within an organization⁵⁷. In the absence of whistleblowers, such problems may go unnoticed, allowing unethical behavior to persist unchecked.

Moreover, whistleblowing is a mechanism that can be particularly effective in the public sector, where traditional oversight may be weaker, and the stakes are higher due to the involvement of public resources. In government agencies, the principal-agent problem can be exacerbated by bureaucratic inefficiencies, lack of transparency, and weak accountability structures. Whistleblowing in this context becomes essential in preventing rogue agents from acting in ways that harm the public interest. The ITMS case highlights this issue, where lack of oversight and ineffective incentives allowed agents to pursue personal agendas, harming both individuals and the organization. Through whistleblowing, these actions were brought to light, and necessary actions were taken to correct them⁴⁴. Another significant contribution comes from Mitnick, who discusses agency theory in the context of public sector governance. He argues that the unique challenges of public sector organizations require an adaptation of agency theory, with increased emphasis on transparency and public accountability. Mitnick's work highlights how public sector principals can use whistleblowing to mitigate moral hazards that arise due to the lack of competitive pressures typically found in the private sector. In this context, whistleblowing serves as an essential tool for promoting ethical conduct and ensuring that public servants adhere to the public interest rather than personal or political interests⁵⁸.

⁵⁷ J. Otterson, *On principal-agent problems, rogue agencies, and systemic government failure: A case study*, MPRA Paper No. 121989, 2024.

⁵⁸ B. M. Mitnick, *The political economy of regulation: The case of public utility regulation*, Public Policy 28 (3), 1980, 177-202.

Despite its potential, whistleblowing is not a panacea. It comes with its own set of challenges, including the risk of retaliation against whistleblowers and the potential for false reporting. Organizational culture also plays a crucial role in whether whistleblowing can effectively mitigate the principal-agent problem. If the organizational environment is hostile to whistleblowers or if there is a lack of protection, agents may be deterred from reporting misconduct. Thus, for whistleblowing to be effective, organizations must establish a supportive culture, robust protection for whistleblowers, and clear channels through which concerns can be reported safely⁴¹.

2.2.2 Stakeholder Theory

Stakeholder theory, introduced by R. Edward Freeman in 1984, has had a profound impact on corporate governance by shifting the focus from shareholder interests to a broader, more inclusive consideration of all parties affected by an organization's actions. According to Freeman, businesses should create value for not only their shareholders but also for other stakeholders such as employees, customers, suppliers, and the broader community. In this context, whistleblowing serves as a key mechanism for holding organizations accountable to their stakeholders. By exposing unethical practices, whistleblowers protect the interests of employees, customers, and society at large, which aligns with the principles of stakeholder theory. This literature review explores the connection between whistleblowing and stakeholder theory, examining how whistleblowing helps safeguard the interests of key stakeholder groups, and how it contributes to ethical business practices.

Stakeholder theory emerged as a challenge to the traditional shareholder primacy model, which asserts that the primary responsibility of a corporation is to maximize profits for its shareholders. It was argued that businesses have a moral and strategic obligation to consider the needs and

interests of all parties that are affected by corporate activities. These parties, or stakeholders, include employees, customers, suppliers, the local community, and even future generations. This broader view of corporate responsibility has gained significant traction in the past few decades, as companies increasingly recognize the importance of ethical behavior and long-term sustainability. According to Freeman, stakeholder theory requires organizations to balance the interests of various groups, ensuring that no one group is disproportionately favored at the expense of others⁵⁹.

In practice, stakeholder theory urges companies to adopt a more transparent and accountable approach to business operations. It emphasizes the importance of engaging with stakeholders, understanding their concerns, and integrating these concerns into decision-making processes. For instance, companies that embrace stakeholder theory might involve employees in discussions about workplace safety, engage customers in feedback loops regarding product quality, and consult with the community on the environmental impact of their operations. Whistleblowing, as a mechanism for exposing wrongdoing within an organization, plays a pivotal role in ensuring that the interests of all stakeholders are protected. Whistleblowing is the act of reporting unethical, illegal, or harmful activities within an organization. Whistleblowers, who are typically employees, alert authorities or the public about misconduct, such as financial fraud, environmental violations, or unsafe working conditions. Whistleblowing serves as a vital mechanism for ensuring accountability and transparency in organizations. By disclosing unethical behaviors, whistleblowers help prevent further harm and contribute to organizational change³⁴.

⁵⁹ R. E. Freeman. *Strategic Management: A Stakeholder Approach*. Boston: Pitman Publishing, 1984.

Whistleblowing can occur through various channels, including internal reporting systems, regulatory bodies, or the media. However, despite its importance in promoting ethical conduct, whistleblowing often carries significant risks for the individual involved. Whistleblowers may face retaliation, such as job loss, harassment, or legal action. As a result, organizations must provide adequate protection to those who come forward with information about wrongdoing, ensuring that they are not punished for acting in the public interest³⁴. The role of whistleblowing within stakeholder theory is clear: it serves as a tool to safeguard the interests of stakeholders by ensuring that organizations are held accountable for their actions. By exposing misconduct, whistleblowers prevent harm to employees, customers, and society, and encourage businesses to operate ethically.

One of the most important stakeholder groups affected by whistleblowing is employees. Employees are often the first to observe unethical behavior within an organization, whether it involves unsafe working conditions, discrimination, or financial fraud. Whistleblowing allows employees to report such misconduct, protecting not only their own well-being but also that of their colleagues. It was indicated that organizations with strong whistleblowing policies are more likely to foster a culture of ethical behavior⁶⁰. Employees are more likely to report unethical activities if they feel confident that their concerns will be taken seriously and that they will not face retaliation. Furthermore, organizations that support whistleblowing contribute to a more transparent and accountable workplace, which can lead to improved employee morale and trust in management. In the context of stakeholder theory, whistleblowing serves as a mechanism for ensuring that employees' rights are protected. Organizations that support whistleblowing and

⁶⁰ F. T. DeZoort, M. E. Lamb, & J. E. L. Collins. *Whistleblowing in Organizations: A Review and Research Agenda*. Journal of Business Ethics 41, (1), 2003, 43-63.

take action against misconduct demonstrate a commitment to the well-being of their workforce. This, in turn, can lead to improved employee satisfaction, higher retention rates, and a more positive organizational culture⁶¹.

Another key stakeholder group that benefits from whistleblowing is customers. Customers trust businesses to provide safe, high-quality products and services. When an organization engages in unethical practices, such as misrepresenting product ingredients or using unsafe manufacturing processes, customers may be at risk. Whistleblowers who expose these activities play a critical role in protecting consumers from harm. For example, in the case of the Enron scandal, whistleblower Sherron Watkins exposed the company's fraudulent financial practices, which had far-reaching implications for both employees and customers. Had Watkins not come forward, the company's misdeeds may have continued, potentially resulting in further harm to employees, shareholders, and customers who were affected by the company's collapse⁶². In this case, whistleblowing served to protect customers and the broader market from the negative consequences of corporate misconduct. Whistleblowing is particularly important in industries where consumer safety is a significant concern, such as pharmaceuticals, food production, and healthcare. In these sectors, whistleblowers help ensure that companies adhere to ethical standards and regulatory requirements, protecting customers from dangerous products or deceptive practices³⁸.

⁶¹ M. Kaptein. *From Inaction to External Whistleblowing: The Influence of the Ethical Culture of Organizations on Employee Reporting of Unethical Behavior*. *Journal of Business Ethics* 98 (3) 2011, 413-421.

⁶² J. Heath & W. Norman. *Stakeholder Theory, Corporate Governance, and the Ethics of Business*. *Business Ethics Quarterly* 14 (1), 2004, 19-37.

Beyond individual stakeholders, whistleblowing also has broader societal implications. By exposing corporate wrongdoing, whistleblowers contribute to the enforcement of laws and regulations that protect public interests. In some cases, whistleblowers have played a critical role in bringing attention to issues that affect the larger community, such as environmental damage or public health risks. For example, in the case of the Deepwater Horizon oil spill in 2010, employees at BP raised concerns about safety practices prior to the disaster. Had their warnings been taken seriously, the catastrophic environmental damage caused by the spill might have been avoided. This highlights the importance of whistleblowing in protecting not only individual stakeholders but also society at large³⁵. Whistleblowers contribute to the greater good by holding organizations accountable for their actions, ensuring that they comply with ethical and legal standards. This is particularly important in sectors where corporate actions have wide-ranging effects on public health, safety, and the environment.

Despite the potential benefits of whistleblowing, there are significant challenges to its implementation. Whistleblowers often face retaliation, such as job loss, legal consequences, or personal harm. As a result, it is essential for organizations to provide strong protections for whistleblowers, including anonymous reporting systems and legal safeguards against retaliation³⁴. Moreover, the effectiveness of whistleblowing depends on the culture of the organization. Companies that do not foster an open, transparent environment may discourage employees from reporting misconduct, even if they are aware of unethical behavior. Therefore, it is crucial for organizations to cultivate a culture of integrity, where ethical conduct is valued and whistleblowers are supported.

2.3 Whistleblowing as a Pillar of Corporate Governance

2.3.1 Fraud Prevention and Early Detection

The role of whistleblowing systems in fraud prevention has been a subject of extensive academic inquiry, as they are increasingly recognized as indispensable tools for promoting transparency, accountability, and ethical conduct within organizations. Through whistleblowing, employees, suppliers, or any stakeholders in an organization can confidentially report unethical, illegal, or fraudulent activities, offering early alerts to prevent significant losses. This function is particularly significant given the complex nature of modern corporate fraud, which often goes undetected by traditional financial oversight mechanisms.

In a study, authors argue that the whistleblowing system is an essential component of fraud prevention strategies. The study emphasizes that organizations with an effective whistleblowing system can detect fraud earlier than those that lack such systems. The authors explain that for whistleblowing systems to function effectively, they must offer a safe and confidential reporting environment⁶³. This is crucial because employees are more likely to report unethical activities when they feel their identity is protected, thereby reducing the risk of retaliation. When implemented correctly, a well-established whistleblowing system not only helps to uncover fraud but also deters potential wrongdoers from committing fraudulent acts in the first place. The integration of whistleblowing mechanisms with proactive fraud audits and forensic accounting further strengthens the fraud detection and prevention process, ensuring that all potential avenues of financial misconduct are explored⁵⁰.

⁶³ R. Fitria, P. Melani, W. Apriani, and H. Dwilita. *Literature Review: Influence of Audit Forensics, Proactive Fraud Audit, Good Corporate Governance, Financial Reporting Compliance, Organizational Culture, and Whistleblowing on Fraud Prevention*. International Journal of Economics, Commerce, and Management 2, no. 1 (2025): 463-479.

Similarly, the role of whistleblowing in corporate governance is explored in research, which suggests that effective whistleblowing systems contribute significantly to improving organizational governance. The authors state that companies that implement whistleblowing systems in compliance with relevant legal frameworks enhance their overall transparency and ethical conduct. This transparency not only aids in detecting fraud but also ensures that organizations maintain their reputation and legal standing by promptly addressing misconduct⁶⁴. Furthermore, the presence of a whistleblowing system is associated with a decrease in corporate corruption and unethical practices, as employees are empowered to report fraud without fear of reprisal. Study also notes that the legal protection of whistleblowers, while essential, often remains insufficient, hindering the effectiveness of these systems. Therefore, enhancing legal safeguards and improving reporting mechanisms are vital steps to optimize the role of whistleblowing in fraud prevention⁵¹.

Fraud awareness also plays a significant role in the effectiveness of whistleblowing systems. An in-depth analysis of how fraud awareness, coupled with whistleblowing, can prevent fraudulent activities within organizations has been presented⁶⁵. Their study, which focuses on the local government of Palembang, Indonesia, found that while fraud awareness was positively linked to the recognition of fraudulent behaviors, it did not directly translate into stronger fraud prevention. However, the research indicates that a well-implemented whistleblowing system, supported by robust governance and fraud awareness programs, can significantly enhance fraud detection. The authors argue that fraud awareness helps individuals recognize potential fraudulent activities

⁶⁴ D. Clyde, and F. Hanifah. *The Role of Whistleblowing in Corporate Governance and Fraud Prevention*. Journal of Corporate Governance 21, no. 3 (2022): 456-467.

⁶⁵ P. Periansya, E. Dewata, A. R. Sopiyan, Y. Sari, and A. Basyith. *Whistleblowing, Fraud Prevention, and Fraud Awareness: Evidence from the Palembang Local Government of Indonesia*. Problems and Perspectives in Management 21, no. 2 (2023): 556-566.

early, while whistleblowing systems provide the necessary platform to report these activities. By incorporating these two elements, organizations can build a culture that prioritizes integrity and vigilance, ultimately preventing fraud before it escalates⁵².

Fear of retaliation, insufficient legal protection, and inadequate reporting mechanisms as significant barriers to the effectiveness of whistleblowing systems has been identified⁶⁶. Despite these challenges, the study found that organizations with stronger whistleblower protections and clear reporting channels experienced lower levels of fraud and higher levels of financial transparency. The research emphasizes the importance of creating a corporate culture that not only supports whistleblowers but also actively encourages the reporting of fraud⁵³.

The integration of whistleblowing systems with forensic accounting practices is increasingly being seen as a powerful strategy for combating fraud. Forensic accounting techniques, which include detailed financial investigations and the use of advanced technologies such as artificial intelligence and big data analysis, provide organizations with the tools needed to detect anomalies in financial records. When whistleblower reports are integrated into forensic investigations, organizations can conduct more thorough audits and identify fraudulent activities that may have otherwise gone unnoticed. This combined approach enhances the effectiveness of both fraud detection and prevention, creating a robust defense against corporate misconduct⁵³.

The whistleblowing system is integral to maintaining internal control and transparency, serving as a confidential channel through which employees and other stakeholders can report unethical behaviors without fear of retaliation. The success of whistleblowing mechanisms hinges on several factors, including organizational support, protective policies for whistleblowers, and an

⁶⁶ M. Z. Hossain. *Forensic Accounting and Whistleblower Programs: Strengthening Corporate Accountability*. Journal of Business Ethics 45, no. 2 (2023): 115-127.

ethical workplace culture that encourages reporting⁶⁷. This supportive framework not only helps detect fraud but also prevents its occurrence by deterring potential wrongdoers who understand that there are robust systems in place to uncover misconduct.

Whistleblowing policies enable organizations to take proactive measures to mitigate risks before they cause harm. As emphasized, organizations that have well-established whistleblowing systems are better positioned to identify early signs of fraudulent activities. These systems are particularly effective in industries or sectors prone to corruption, such as government procurement or financial services, where the risks of fraud are high due to the large sums of money involved and the complexity of financial transactions⁵². In fact, studies show that organizations with active whistleblowing policies report lower rates of fraud and are better at maintaining organizational integrity⁵². The ability to detect fraud early allows for timely interventions, which can prevent further financial losses, legal consequences, and damage to the organization's reputation.

Furthermore, the influence of whistleblowing extends beyond mere detection; it also plays a significant role in shaping the organizational culture. Organizations that encourage whistleblowing are more likely to foster a culture of ethical behavior and accountability. Implementing whistleblowing systems can lead to a shift from a culture of fear and secrecy to one of transparency and openness. This cultural shift is essential not only for preventing fraud but also for building trust among employees, customers, and other stakeholders. Whistleblowers often serve as critical agents of change within organizations, as their actions expose unethical

⁶⁷ K. K. Sari. *Systematic Literature Review on Whistleblowing Systems: The Effective Solution to Prevent Financial Accounting Fraud?* Riset & Jurnal Akuntansi 8, no. 2 (2024): 1746-1754. <https://doi.org/10.33395/owner.v8i2.2316>.

practices and promote an environment where ethical standards are upheld⁵⁴. In this way, whistleblowing systems contribute to the broader goal of corporate governance by ensuring that companies operate with the highest level of integrity.

However, despite the evident benefits of whistleblowing systems, challenges remain in their implementation and effectiveness. One of the key barriers is the fear of retaliation that many potential whistleblowers experience. The importance of providing legal protections for whistleblowers, as this not only ensures their safety but also encourages more employees to report misconduct has been discussed⁵². Without these protections, employees may feel reluctant to come forward due to concerns about career repercussions or social ostracization. Therefore, organizations must not only establish clear and accessible reporting channels but also offer guarantees of confidentiality and protection for those who report fraud. This, in turn, will strengthen the overall effectiveness of the whistleblowing system and improve fraud prevention outcomes.

In conclusion, whistleblowing is a crucial element of corporate governance, playing an indispensable role in the prevention and early detection of fraud. By facilitating transparency, promoting accountability, and ensuring that employees feel safe to report misconduct, whistleblowing systems help mitigate the risks of fraudulent activities and protect the interests of both the organization and its stakeholders. As demonstrated, the successful implementation of whistleblowing policies requires a supportive organizational culture, effective protection for whistleblowers, and a commitment to ethical standards⁵⁴. As organizations continue to prioritize good governance, the role of whistleblowing in preventing fraud will remain a cornerstone of sustainable business practices⁵².

2.3.2 Enhancing Transparency and Accountability

Whistleblowing plays a crucial role in promoting accountability and transparency within organizations, particularly in corporate governance frameworks. Whistleblowers are often instrumental in exposing unethical or illegal activities that might otherwise go unnoticed. By bringing attention to these issues, they help mitigate corruption and other malpractices that could harm the integrity of an organization⁶⁸. Additionally, whistleblowing contributes to building a culture of integrity, where individuals are encouraged to speak out against wrongdoings, thus helping companies maintain their ethical standards and prevent governance failures. The act of reporting misconduct also serves to protect the broader public interest, making sure that organizations operate in a transparent and accountable manner, especially in environments where corruption or other unethical behavior may otherwise be overlooked⁵⁵.

Whistleblowing is a vital tool for ensuring the integrity of corporate governance systems. By exposing unethical practices or illegal activities, whistleblowers play an essential role in fostering accountability and transparency within organizations. The act of reporting such misconduct helps organizations identify issues early on, which allows them to address these concerns before they escalate into larger problems. In the context of corporate governance, the contributions of whistleblowers are critical for ensuring that decision-making processes are transparent, and that those responsible for misconduct are held accountable for their actions⁶⁹. Moreover, companies that actively support whistleblowing create a safer environment for employees to report misconduct without fear of retaliation, which in turn strengthens the overall

⁶⁸ A. Tanwar, & M. Dutta. *Whistleblowing as a Pillar of Corporate Governance*. International Journal for Multidisciplinary Research (IJFMR), 7, no. 3 (2025): 2–6.

⁶⁹ J. Sahoo, B. Biswal, & P. Sarangi. *Voices of Truth: The Role of Whistleblowing in Strengthening Governance and Accountability in India*. International Journal of Political Science and Governance, 7, no. 1 (2025): 2–5.

governance framework. By establishing strong whistleblower protection mechanisms, organizations are better equipped to deal with ethical breaches and promote a culture of accountability⁵⁶.

Whistleblowing is essential in the context of corporate governance as it enhances transparency and ensures accountability within organizations. Whistleblowers act as key agents in exposing unethical behavior that could otherwise remain concealed, thereby encouraging organizations to address these issues proactively. This process contributes to the overall ethical framework of governance by promoting a culture where transparency is prioritized and unethical behavior is swiftly addressed⁵⁵. In organizations where whistleblowing is valued, employees feel more secure in reporting potential misconduct, knowing that their concerns will be heard and investigated. This not only enhances the transparency of the organization but also strengthens its accountability mechanisms, ensuring that individuals are held responsible for their actions and that corrective measures are taken⁵⁵.

Whistleblowing plays a critical role in promoting transparency and accountability within corporate governance structures. The study underscores the importance of internal whistleblowing systems in detecting misconduct and reinforcing organizational integrity. Ethical employee behavior is fundamental in fostering a culture of transparency and supporting governance frameworks. Internal whistleblowing systems not only provide a mechanism for identifying unethical practices but also serve as a preventive measure against corporate

malfeasance. They help in safeguarding the organization's reputation and maintaining stakeholder trust by ensuring that violations are promptly addressed⁷⁰.

A key finding in the study is the relationship between effective internal whistleblowing systems and the protection mechanisms that support them. Well-designed systems that include clear reporting channels, confidentiality safeguards, and anti-retaliation policies increase the likelihood of employees coming forward with concerns without fear of retribution. These systems, when paired with robust protection measures, enhance organizational transparency and accountability, enabling the organization to manage risks effectively and adhere to regulatory compliance⁵⁷. Whistleblowing is seen as a foundational element of corporate governance that ensures ethical compliance across all levels of an organization. By facilitating the reporting of misconduct, whistleblowing mechanisms help to promote organizational accountability and deter unethical practices. Effective governance frameworks integrate whistleblowing systems to uphold employee rights and ensure that ethical behavior is consistently maintained throughout the organization⁵⁷.

2.3.3 Strengthening Internal Controls and Risk Management

Whistleblowing is an essential mechanism within corporate governance, playing a pivotal role in strengthening internal controls and enhancing risk management frameworks. It involves employees or stakeholders reporting misconduct, fraud, or unethical behavior within an organization. Internal control systems are designed to protect an organization's assets, ensure the accuracy of financial reporting, and promote compliance with applicable laws and regulations. A

⁷⁰ C.W. Lee & P.T. Liu. *Employee Ethics and Corporate Governance: Evaluating Internal Whistleblowing Mechanisms*. Journal of Applied Finance & Banking 15 (2), 2025; 35-55. <https://doi.org/10.47260/jafb/1523>.

well-structured internal control system involves a range of processes, such as segregation of duties, regular audits, risk assessments, and clear reporting lines. However, even the most robust internal controls can be undermined by unethical practices or insufficient monitoring. This is where whistleblowing becomes crucial. A whistleblowing system provides employees with a secure and confidential channel to report misconduct that may not be easily detectable through regular internal audits or monitoring procedures⁷¹.

Whistleblowing mechanisms are not merely supplementary; they are integral components of an effective internal control system. Whistleblowing systems help in identifying and addressing financial mismanagement, corruption, and other forms of misconduct that may otherwise remain hidden. For instance, in the public sector in Indonesia, the implementation of whistleblowing systems alongside internal controls has significantly improved the detection of fraud and mismanagement in government institutions. By enabling employees to report irregularities anonymously, whistleblowing systems enhance the transparency of the organization's operations, making it harder for unethical practices to flourish undetected⁵⁸.

Moreover, whistleblowing systems complement other internal control mechanisms such as audits, compliance checks, and oversight committees. As organizations face increasingly complex risks, from financial misreporting to cyber threats, whistleblowing serves as an early-warning system, helping to identify potential threats before they escalate into major issues. Employees who are aware of unethical behavior but are unable to report it effectively can become complicit in fraudulent activities. Whistleblowing systems break down these barriers, empowering employees

⁷¹ H. Z. Lubis et al. *The Interplay of Internal Control, Whistleblowing, Good Governance, and Organizational Culture in Fraud Prevention: The Moderating Role of Information Technology*. LEX Localis - Journal of Local Self-Government 23, no. 10 (2024): 1812–1834.

to act as the “eyes and ears” of the organization and ensuring that internal controls remain effective and robust⁷².

In addition to strengthening internal controls, whistleblowing plays a critical role in enhancing an organization’s risk management framework. The significant role of whistleblowing systems in reducing earnings manipulation and improving the accuracy of financial reporting has been highlighted²². One of the most significant benefits of whistleblowing systems is their impact on organizational culture. Organizational culture shapes the values, beliefs, and behaviors that guide employees’ actions and decision-making. A culture of transparency, integrity, and accountability is essential for fostering good governance and preventing fraud. Whistleblowing systems play a crucial role in promoting these values by providing employees with a platform to report unethical conduct and by reinforcing the organization’s commitment to ethical behavior⁷³. In organizations with strong whistleblowing policies, employees are more likely to feel empowered to report misconduct, knowing that their concerns will be taken seriously and handled confidentially. The implementation of a whistleblowing system encourages employees to adhere to ethical standards and discourages fraudulent behavior. When employees are confident that whistleblowing will result in corrective action, they are more likely to report wrongdoing, which ultimately strengthens the ethical culture of the organization⁷⁴.

⁷² M. Bowen et al. *The Role of Internal Controls in Preventing Corporate Fraud*. Journal of Business Ethics 45(3), 2010; 457–467.

⁷³ F. Rahmawati & H. Islamiyati. *Corporate Fraud and Prevention Mechanisms in Indonesia: A Review*. Journal of Business Ethics and Corporate Governance 20 (1), 2024, 67–83.

⁷⁴ M. Bashir et al. *The Role of Whistleblower Disclosure in Corporate Governance*. Journal of Risk and Financial Management 18(2), 2024; 65. <https://doi.org/10.3390/jrfm18020065>.

Furthermore, a whistleblowing system helps in establishing a positive feedback loop. As employees witness the organization's commitment to addressing reported issues, they are more likely to trust the system and engage with it in the future. This trust enhances the overall integrity of the organization and reduces the likelihood of fraudulent behavior, as employees become more aligned with the organization's ethical values. An effective whistleblowing system not only prevents fraud but also promotes a culture of transparency and ethical conduct, which is essential for long-term success⁷⁵. Whistleblowing systems are integral to the effectiveness of GCG, particularly in preventing fraud and unethical behavior. These systems provide an avenue for employees and stakeholders to report misconduct without fear of retaliation, thereby upholding the principles of accountability and transparency that are fundamental to good governance. In organizations with strong corporate governance frameworks, whistleblowing systems act as a deterrent to unethical conduct and contribute to the overall integrity of the governance structure⁷⁶. Moreover, the integration of whistleblowing systems within corporate governance frameworks aligns with regulatory requirements and industry standards. Many regulatory bodies, including the Financial Services Authority (OJK) in Indonesia and the Securities and Exchange Commission (SEC) in the United States, have recognized the importance of whistleblowing in strengthening corporate governance and mitigating risks associated with fraud and corruption⁷⁷.

⁷⁵ S. Alharbi. *The Effectiveness of Whistleblowing Systems in Enhancing Corporate Governance*. International Journal of Business Ethics 45(2), 2023; 173–188.

⁷⁶ R. Yulianti et al. *The Role of Internal Control Systems and Good Corporate Governance in Fraud Prevention Efforts: A Literature Review*. Frontiers in Business and Economics 3(1), 2024; 39–54. <https://doi.org/10.56225/finbe.v3i1.325>.

⁷⁷ T. W. Hakki et al. *Internal Control, Governance Risk Management, Compliance, and Fraud Prevention: The Moderating Role of Good Corporate Governance*. Journal of Accounting and Financial Management, 6(4), 2025): 2057–2074

These regulatory frameworks encourage organizations to establish whistleblowing systems as part of their broader governance strategy, ensuring compliance with legal and ethical standards.

2.3.4 Promoting an Ethical Corporate Culture

Whistleblowing plays an essential role in promoting an ethical corporate culture, particularly in the context of corporate governance. It is regarded as a mechanism through which employees or stakeholders report unethical, illegal, or harmful activities occurring within an organization. Whistleblowing is not just a formal procedure but a vital part of corporate governance that seeks to address and prevent misconduct. Whistleblowing underscores its importance in maintaining corporate integrity and shows that it is a key part of good governance practices, emphasizing the need for ongoing improvements in policies and mindsets in the business world⁵⁵. A key aspect of whistleblowing is its role in promoting a corporate culture that values ethical behavior. Whistleblowing is central to promoting and upholding sound corporate governance practices on a global scale⁵⁵. Organizations that integrate whistleblowing into their governance structures not only comply with regulatory standards but also cultivate a culture of transparency. By ensuring that employees feel empowered to report wrongdoing without fear of retaliation, organizations can foster an environment of trust and accountability. This, in turn, enhances ethical standards and ensures that the leadership of the organization is held accountable for any unethical actions that may occur within the organization.

However, the effectiveness of whistleblowing policies largely depends on the protection offered to whistleblowers. It was argued that whistleblowing is a crucial component of an organization's corporate governance plan, as it enables workers to take action against instances of misbehaviour, so contributing to the preservation of a secure work environment, while simultaneously

safeguarding the company's earnings and reputation⁷⁸. Without robust legal protections and clear reporting channels, whistleblowers may face retaliation, job loss, or social ostracism, which could deter potential reporters from coming forward. Therefore, implementing strong whistleblower protection policies is not just a legal obligation but a cultural necessity for any organization aiming to maintain a healthy ethical environment.

The act of blowing the whistle can have significant psychological and social consequences for the whistleblower. Often, whistleblowers find themselves caught between the desire to do the right thing and the fear of personal and professional repercussions. The psychological toll faced by whistleblowers, ranging from stress and anxiety to social alienation, has been widely acknowledged in the literature⁵⁵. This is especially the case in organizations with poor ethical climates, where the act of reporting misconduct may be viewed as a betrayal or disloyalty. As such, organizations must create a supportive environment for whistleblowers, where their concerns are addressed fairly and without bias. As was noted, a "comprehensive and effective whistleblowing system has many key components, including a well-defined policy framework, a reliable platform for reporting complaints, an organised and practical strategy for responding to such complaints⁶⁵. A transparent, non-punitive response to whistleblowing not only reassures employees but also enhances the organization's ethical standing, further solidifying the importance of effective corporate governance.

⁷⁸ U. Pandey & R. Singhal. *Whistleblower Protection and Corporate Wrongdoings*. International Journal of Novel Research and Development, 2023.

Whistleblowing, by definition, involves the disclosure of wrongdoing, often illegal or unethical behavior, by an individual, typically an employee, within the organization⁷⁹. The importance of establishing robust whistleblowing mechanisms within an organization cannot be overstated. Ethical behavior within organizations is crucial for ensuring transparency, fostering a reputation of trust, and mitigating potential risks that may arise from unethical actions⁵⁷. These behaviors, which reflect the organization's core ethical values, significantly influence the company's overall reputation and can impact external stakeholders' trust, including investors and customers. Whistleblowing systems contribute to this process by enabling employees to disclose issues without fear, which in turn strengthens the organizational framework, promotes ethical behavior, and helps avoid financial and reputational risks⁵⁷.

In India, the implementation of Section 177 of the Companies Act (2013) mandates that companies establish a vigil mechanism to report unethical behavior, fraud, or violations of the company's code of conduct. This mechanism is designed to ensure that whistleblowers are protected against retaliation and victimization⁸⁰. However, while legal provisions exist, the practical implementation of these laws remains challenging, particularly in fostering employee awareness and trust in the system. Employees often remain reluctant to report unethical behavior due to the fear of reprisals, such as job loss or harassment, leading to a culture of silence. Strengthening these mechanisms, enhancing employee education on whistleblowing, and ensuring effective implementation of legal protections are necessary steps for improving corporate governance in India⁶⁷.

⁷⁹ N. Smaili. *Building an Ethical Culture by Improving Conditions for Whistleblowing*. Journal of Business Strategy 44 (1), 2021; 37-43. <https://doi.org/10.1108/JBS-07-2021-0123>.

⁸⁰ R. Dwivedi & T. Nandan. *Whistleblowing in India: A Study of Corporate Employees*. Journal of Business Ethics 20 (4), 2017; 640-656.

On a broader scale, whistleblowing contributes significantly to promoting an ethical culture in organizations. An internal whistleblowing system is an essential tool for building and maintaining an ethical corporate climate⁶⁶. By providing employees with a structured process to report unethical activities, organizations can not only address misconduct but also demonstrate their commitment to ethical standards. However, the success of such systems depends heavily on the organizational climate, which must be conducive to reporting unethical practices. Organizations need to create an environment where whistleblowers feel safe, valued, and confident that their concerns will be handled appropriately. A lack of effective internal whistleblowing systems, as seen in high-profile cases like WorldCom and Enron, can lead to severe consequences for both the whistleblower and the organization⁶⁶.

Moreover, whistleblowing systems must be supported by strong regulatory frameworks to be effective. The ethical climate within organizations, bolstered by regulatory strength, plays a pivotal role in shaping the effectiveness of whistleblowing systems. Regulatory frameworks provide a legal basis for protecting whistleblowers and ensuring that their disclosures are acted upon appropriately. Without such support, whistleblowers often face retaliation, including social isolation and career setbacks, which undermine the system's effectiveness⁸¹. The role of leadership in fostering an ethical corporate culture cannot be overlooked. Strong ethical leadership is critical to ensuring that the organization's values are communicated clearly to all employees, and that ethical behavior is consistently promoted across all levels. Ethical leadership influences employee behavior, setting the tone for the organization's culture and helping to

⁸¹ M. S. Adli, M. H. Hamid, R. Said, & F. M. Razali. *Whistleblowing Effectiveness: The Role of Ethical Climate and Regulatory Strength in Shaping the Whistleblowing Index*. *Advanced International Journal of Business, Entrepreneurship and SMEs* 7 (24), 2025; 209-223. <https://doi.org/10.35631/AIJBES.724014>.

reduce unethical actions. When leaders model ethical behavior and show a commitment to whistleblowing policies, employees are more likely to engage in ethical practices and report misconduct⁵⁷.

2.4 Summary of the Review

This chapter explores the theoretical and conceptual foundations of whistleblowing as a key element of corporate governance. It defines whistleblowing as the disclosure of unethical, illegal, or harmful activities within an organization, either internally to management or externally to regulators or the public. The central aim of whistleblowing is to promote transparency, accountability, and ethical conduct. Whistleblowing can be internal or external, and it may be motivated by altruism, revenge, or duty. Altruistic whistleblowers act to protect others; revenge-driven ones act out of personal grievance; and duty-bound whistleblowers are guided by professional or moral obligation. The chapter also distinguishes between good faith whistleblowing, which seeks to correct wrongdoing, and malicious whistleblowing, which involves false or harmful claims.

The theoretical framework rests on two major theories; Agency Theory – Whistleblowing helps resolve conflicts between principals (owners) and agents (managers) by reducing information asymmetry and exposing unethical practices. It acts as a monitoring tool that enhances transparency and aligns management actions with shareholder interests. Stakeholder Theory, Proposed by Freeman, this theory emphasizes that organizations are accountable to all stakeholders, not just shareholders. Whistleblowing protects stakeholder interests, employees, customers, and society, by ensuring ethical and responsible corporate behavior.

The chapter identifies whistleblowing as a pillar of corporate governance through four key functions:

- i. **Fraud Prevention and Early Detection:** Whistleblowing systems provide confidential channels for reporting fraud, complementing internal audits and deterring misconduct.
- ii. **Enhancing Transparency and Accountability:** It ensures openness in decision-making and reinforces trust between organizations and stakeholders.
- iii. **Strengthening Internal Controls and Risk Management:** Whistleblowing serves as an early-warning mechanism that improves compliance and reduces ethical and financial risks.
- iv. **Promoting an Ethical Corporate Culture:** By encouraging ethical conduct and protecting whistleblowers from retaliation, organizations build a culture of integrity and transparency.

In conclusion, the chapter establishes that whistleblowing is both an ethical duty and a strategic governance tool. Grounded in agency and stakeholder theories, it fosters corporate accountability, strengthens institutional integrity, and supports sustainable governance practices.

The Legal and Institutional Framework for Whistleblowing in Nigeria

Whistleblowing is a vital tool for promoting transparency, accountability, and good governance in Nigeria. However, its success depends on effective legal and institutional frameworks that protect whistleblowers from retaliation. This chapter examines the evolution of whistleblower protection in Nigeria, beginning with the 2016 Whistleblower Policy and subsequent legislative efforts such as the Whistleblower Protection Bill. It also reviews the roles of key institutions, including the EFCC, ICPC, and the Federal Ministry of Finance, in enforcing anti-corruption measures. Despite progress, challenges such as weak legal backing, poor enforcement, and cultural resistance continue to limit whistleblowing effectiveness. The chapter aims to assess these gaps and highlight the need for stronger laws and institutional support to enhance accountability and encourage ethical reporting in Nigeria.

3.2. Historical Evolution of Whistleblowing Protections in Nigeria

The evolution of whistleblower protections in Nigeria has been marked by significant milestones, yet it has faced numerous challenges and setbacks. Whistleblowing has emerged as an essential tool in the fight against corruption, but the legal and institutional frameworks designed to protect whistleblowers have often been inadequate. Initially, the Nigerian government's approach lacked formal legal safeguards, leaving whistleblowers vulnerable. The introduction of the Whistleblower Policy in 2016 represented a pivotal shift, offering financial incentives to encourage citizens to report corruption. While the policy contributed to the recovery of stolen public funds, it lacked a comprehensive legal framework to shield whistleblowers from retaliation. This gap exposed whistleblowers to risks such as job loss, physical threats, and legal

action for exposing corruption⁸². Despite its success in uncovering corruption, the policy was unable to guarantee the safety of those coming forward due to the absence of robust legal protections.

A significant development in the evolution of whistleblower protections came with the introduction of the Whistleblower Protection Bill in 2019. This bill aimed to formalize and enhance protections, specifically addressing the challenges faced by whistleblowers under the 2016 policy. It proposed safeguards against retaliation, including legal protections for whistleblowers' identities, protection from job dismissal, and even physical security when necessary⁶⁹. However, the bill has faced delays in legislative approval, limiting its potential to strengthen whistleblower protections.

Despite these efforts, Nigeria's legal system continues to grapple with gaps in whistleblower protection. The whistleblowing policy has not been supported by a substantial legal framework, resulting in mixed outcomes. High-profile whistleblowers, despite their contributions to exposing corruption, have often faced significant personal and professional repercussions. A notable example is the case of former Central Bank Governor Sanusi Lamido, whose efforts to expose corruption at the highest levels of government led to professional retaliation, including job loss⁸³. Such cases highlight the persistent fear of reprisals that deters many potential whistleblowers from coming forward, despite the policy's financial incentives.

⁸² E. Ojobo. *A review of the effectiveness of the Nigerian whistleblowing stopgap policy of 2016 and the Whistleblower Protection Bill of 2019*. *Journal of African Law*, 67(4), 2023; 487–494. <https://doi.org/10.1017/S0021855323000098>

⁸³ H. A. Salihu. *Whistleblowing Policy and Anti-Corruption Struggle in Nigeria: An Overview*. *African Journal of Criminology and Justice Studies*, 12(1), 2019, 55-64. <https://digitalscholarship.tsu.edu/ajcjs/vol12/iss1/14>

The legal framework's inadequacies are further compounded by a lack of public awareness and a deeply ingrained culture of silence. The Whistleblower Protection Bill of 2019 also sought to broaden the scope of protected disclosures, aiming to create a cultural shift in which people are more willing to report corruption without fear of retaliation⁷⁰. However, until the bill is passed and effectively implemented, the protection mechanisms for whistleblowers will remain incomplete. While the government has introduced temporary measures, such as the Treasury Single Account (TSA), to address financial misconduct, these measures alone cannot ensure adequate protection for whistleblowers in the face of pervasive corruption⁶⁹. The persistent challenges surrounding whistleblower protections reflect broader issues with corruption in Nigeria. Corruption in Nigeria is deeply rooted in cultural and political structures that enable patronage and nepotism⁸⁴. The historical lack of accountability in both the public and private sectors has fostered a culture in which whistleblowing is often seen as disloyal or even taboo⁷⁰. Therefore, beyond legislative reforms, a cultural shift is necessary to support whistleblowers and reduce the risks they face in exposing corruption.

In December 2016, Nigeria introduced the Whistleblower Policy to combat systemic corruption, offering incentives of 2.5% to 5% of recovered funds. However, it lacked provisions to protect whistleblowers from retaliation, leaving them exposed⁸⁵. Despite multiple attempts to pass a whistleblower protection bill in Nigeria's National Assembly, the bills have stalled, and no comprehensive legal framework has been established to safeguard whistleblowers. In September 2025, the African Centre for Media & Information Literacy (AFRICMIL) organized a national

⁸⁴ T. Olaleye-Oruene. *Corruption in Nigeria: A cultural phenomenon*. Journal of Financial Crime, 5(3), 1998, 232-234.

⁸⁵ Global Voices. (2025, September 25). *The judiciary's dilemma: Protecting Nigeria's whistleblowers without legislation*. Global Voices. <https://globalvoices.org/2025/09/25/the-judiciarys-dilemma-protecting-nigerias-whistleblowers-without-legislation/>

forum in Abuja to engage Federal High Court judges on the fragile whistleblowing framework and their role in protecting whistleblowers. Harry Ogwuche, Director of Economic and Social Rights at Nigeria's National Human Rights Commission (NHRC), stressed that protecting whistleblowers is an investment in fundamental human rights as enshrined in Nigeria's Constitution and international agreements⁷². Whistleblowers in Nigeria face severe retaliation, including surveillance, job loss, and even death threats, further discouraging individuals from reporting corruption and misconduct. Civil society organizations and advocates have called for the immediate passage of a whistleblower protection law, one that guarantees anonymity, penalizes retaliation, and establishes an independent body to oversee cases. They have also urged judges to take an active role in safeguarding whistleblowers by interpreting existing laws in the spirit of transparency and protection⁷².

Between 2017 and 2023, Nigeria's Whistleblower Policy facilitated the recovery of significant assets, totaling over ₦83 billion, \$609 million, and €5.4 million. These funds were deposited into the Federal Government's Assets Recovery Account at the Central Bank of Nigeria. Notable recoveries include the 2017 retrieval of \$43.5 million, £27,800, and ₦23.2 million from Osborne Towers in Lagos, thanks to a whistleblower's tip-off. Another major recovery amounted to ₦70.9 billion, \$9.8 million, and £21,500, attributed to public cooperation. Coordinated by the Ministry of Finance with the support of agencies such as the EFCC, ICPC, DSS, and NFIU, the policy aimed to empower citizens in the fight against corruption⁸⁶. However, challenges such as citizen disengagement, a culture of silence, and the absence of a legal framework have hindered its effectiveness. While the policy facilitated asset recoveries and promoted transparency, its lack

⁸⁶ Arise News. (2025, October 14). *Nigeria recovers ₦83bn, \$609m, €5.4m through whistleblowing policy in 6 years*. Arise TV. https://www.arise.tv/nigeria-recovers-n83bn-609m-e5-4m-through-whistleblowing-policy-in-6-years/?utm_source=chatgpt.com

of legislative backing left whistleblowers vulnerable to retaliation. Despite these challenges, the policy established clear procedures for reporting financial misconduct, ensuring confidentiality and protection for whistleblowers. Efforts are underway to reintroduce the Whistleblowing Bill to the National Assembly for legislative action. In summary, while the policy achieved notable financial recoveries and bolstered transparency, the lack of legal protections for whistleblowers remains a significant obstacle to its success⁷³.

The trajectory of whistleblower protections in Nigeria has been shaped by important milestones, ongoing challenges, and continuous advocacy. Introduced under the Presidential Initiative on Continuous Audit (PICA), the Whistleblower Policy of 2016 sought to encourage citizens to report financial misconduct by offering financial incentives. Although the policy resulted in substantial recoveries, it lacked legal backing, leaving whistleblowers vulnerable to retaliation and legal uncertainties. Recognizing the judiciary's critical role in safeguarding whistleblowers, AFRICMIL convened Nigeria's first National Interactive Forum for Judges on Whistleblowing and Whistleblower Protection in September 2025. The forum, held in Abuja, brought together judges, anti-corruption agency heads, civil society organizations, and media representatives to discuss the judiciary's responsibility in interpreting and enforcing whistleblower protections. The event underscored the need for a dedicated whistleblower protection law to strengthen public confidence and judicial effectiveness⁸⁷.

Civil society organizations, including AFRICMIL, have been at the forefront of advocating for a comprehensive whistleblower protection law. Their efforts aim to create a legal framework that

⁸⁷ Whistleblowing Network. (2025, September). AFRICMIL to host forum for judges on whistleblowing. Whistleblowing Network. https://whistleblowingnetwork.org/News-Events/News/News-Archive/AFRICMIL-to-Host-Forum-for-Judges-on-Whistleblowing?utm_source=chatgpt.com

clearly defines whistleblower rights, establishes reporting procedures, and ensures protection from retaliation. However, the absence of such legislation continues to impede the full realization of whistleblower protections in Nigeria⁷⁴. Nigeria's situation mirrors broader regional challenges, as many West African countries still lack specific whistleblower protection laws. While nations like Ghana have enacted such laws, others rely on general anti-corruption or witness protection laws, which often fail to address the unique needs of whistleblowers. This underscores the significance of Nigeria's continued advocacy for a comprehensive legal framework for whistleblower protection. As the evolution of whistleblower protections continues, judicial engagement and civil society advocacy remain critical. However, for whistleblowers to be adequately protected, Nigeria must enact and enforce comprehensive legislation that addresses the multifaceted challenges they face⁷⁴.

3.3. Analysis of Key Legislations and Provisions

3.3.1. The Companies and Allied Matters Act (CAMA) 2020

The Companies and Allied Matters Act (CAMA) 2020 includes significant provisions for corporate governance and transparency, with particular attention to whistleblowing mechanisms. Sections 339 and 340 of CAMA focus on confidential reporting, allowing employees to report misconduct directly to auditors while ensuring their identity is protected. This provision is intended to encourage transparency and discourage corporate wrongdoing. By embedding these mechanisms into corporate law, CAMA 2020 aligns Nigeria's legal framework with international best practices, where protecting whistleblowers from retaliation is a central tenet of corporate

regulation. This ensures that individuals who expose corporate malpractice are shielded from victimization, a crucial element in promoting ethical corporate behavior⁸⁸.

However, despite these provisions, the effectiveness of the whistleblowing framework under CAMA 2020 is often debated. The Nigerian government introduced the Whistleblower Protection Bill, which further emphasizes the protection of individuals reporting corporate wrongdoing. This Bill advocates for a clearer and more comprehensive framework to safeguard whistleblowers from retaliation, in alignment with global standards. The Nigerian government also instituted a financial incentive mechanism through the Federal Ministry of Finance's whistleblowing policy, which aims to reward individuals who expose economic crimes. Despite these initiatives, critics argue that the framework remains incomplete. There is a call for the development of a full-scale statutory law that guarantees robust protection for whistleblowers, as the current provisions under CAMA are not entirely comprehensive⁸⁹.

The inclusion of whistleblowing provisions in CAMA 2020 represents a positive step towards improving corporate transparency and combating corruption. However, experts caution that without a more comprehensive legal framework for protecting whistleblowers, including legal provisions for enforcement, these measures may not fully achieve their intended purpose. The need for further legislative development is evident, particularly to provide a safeguard against retaliation and to ensure that whistleblowers are properly compensated for their role in uncovering corporate fraud and corruption⁹⁰.

⁸⁸ KPMG. *The Sea is History: The Companies and Allied Matters Act 2020 aspires to optimize corporate regulation in Nigeria*. KPMG, 2020.

⁸⁹ D. Arowolo & A. Olaniyan. *Innovative anti-corruption measures and institution building in Nigeria*. Journal of African Political Economy and Development, 3, 2018, 17-18.

⁹⁰ Federal Ministry of Finance. (2016). *Whistleblowing policy*.

3.3.2. The Financial Reporting Council (FRC) Act 2011 and the Nigerian Code of Corporate Governance 2018 (NCCG): Principle 21 on Whistleblowing.

Principle 21 of the Nigerian Code of Corporate Governance 2018 (NCCG) provides a vital link to the concept of whistleblowing in corporate governance and financial reporting. Although it does not explicitly mention whistleblowing, the principle creates a foundation for fostering transparency, accountability, and ethical conduct necessary to detect and address corporate misconduct. This provision focuses on the role of external auditors in assessing a company's financial statements and internal control systems. It mandates that auditors must provide an independent opinion on whether the financial statements are prepared in a manner that achieves fair presentation, and it also requires auditors to report on any specific legal and regulatory requirements⁹¹.

The effectiveness of this process depends on the availability of honest, reliable, and comprehensive information. Whistleblowing provides a mechanism for employees or stakeholders to report fraudulent activities or discrepancies in the company's financial reporting or internal controls. Whistleblowers play a critical role in exposing issues that could otherwise remain hidden, ensuring that auditors are given the necessary information to perform their duties effectively. A robust whistleblowing policy, therefore, complements Principle 21 by ensuring that potential financial misconduct is reported and addressed before it impacts financial reporting⁹².

⁹¹ Nigerian Code of Corporate Governance 2018. (2018). <https://icsan.org/wp-content/uploads/2024/11/Nigerian-Code-of-Corporate-Governance-2018.pdf>

⁹² KPMG. (2018). Overview of the Nigerian Code of Corporate Governance 2018. <https://assets.kpmg.com/content/dam/kpmg/ng/pdf/advisory/2018-Nigerian-Code-of-Corporate-Governance.pdf>

Principle 21 also emphasizes the importance of auditors providing an independent opinion to ensure accountability to shareholders, investors, and the public. For this independent audit to be effective, auditors must have access to accurate and comprehensive information about the company's operations and financial practices. Whistleblowing mechanisms help facilitate this by enabling employees and stakeholders to report on potential violations or unethical conduct without fear of retaliation. This ensures that auditors have the full scope of information they need to provide an accurate and thorough opinion. Moreover, when individuals within an organization feel confident in the whistleblowing process, they are more likely to report incidents of fraud, mismanagement, or corruption, which can impact the integrity of financial reporting⁹³.

A key requirement of Principle 21 is the auditors' duty to report on compliance with specific legal and regulatory requirements. Non-compliance with these standards can result in serious consequences for the company, including legal actions, fines, or reputational damage. Whistleblowing policies allow employees and stakeholders to report breaches of legal or regulatory requirements, helping to ensure that companies remain compliant with the Nigerian Code of Corporate Governance and other relevant laws. By providing an avenue for reporting such issues, whistleblowing helps prevent companies from facing legal or financial consequences due to undetected non-compliance and reinforces the importance of adhering to legal standards⁷⁸.

Furthermore, Principle 21 contributes to the broader corporate governance framework by ensuring that companies operate with the highest ethical standards. Transparency in financial reporting and strong internal controls are essential components of this ethical foundation.

⁹³ Dentons. (2020). Insights on the Nigerian Code of Corporate Governance 2018. <https://www.dentonsacaslaw.com/en/insights/articles/2020/april/15/-/media/852c24b189a04bed84fdda29c2d1a38c.ashx>

Whistleblowing plays a central role in reinforcing an ethical corporate culture. When employees are empowered to report unethical practices, such as fraudulent financial reporting or violations of internal controls, without fear of retaliation, it strengthens the company's commitment to good corporate governance. This aligns with the broader principles of the Nigerian Code of Corporate Governance, which emphasizes the importance of ethical conduct and accountability⁷⁹. By requiring auditors to assess the company's financial statements and internal controls and to report on legal and regulatory compliance, the principle establishes a framework for transparency and accountability. Whistleblowing mechanisms support this framework by enabling the reporting of unethical practices, which enhances auditors' ability to provide accurate assessments and fosters a culture of ethical conduct and legal compliance within organizations. Thus, while the principle primarily concerns external audits, it implicitly highlights the need for robust internal controls and transparency, which can be effectively supported by a well-structured whistleblowing policy⁸⁰.

3.3.3 The Freedom of Information (FOI) Act 2011: As an Enabler

Section 27 ensures that public officers who disclose information in good faith about mismanagement, fraud, waste of funds, or abuses of authority are protected from civil or criminal liability. It allows individuals to disclose such matters without facing legal consequences, provided they reasonably believe the disclosure reveals misconduct or a substantial risk to public health or safety. The section encourages transparency and accountability by safeguarding those who expose serious issues within public institutions. Subsection (2) further protects public officers who disclose unauthorized information when it

pertains to matters of public interest, such as exposing corruption or significant risks to public welfare⁹⁴.

Even when information is classified for security reasons, section 28 allows for the disclosure of such information if it serves the public interest. The provision ensures that matters related to public safety or significant public risks are not shielded from disclosure due to their classification status, as long as the information does not fall under specific national security or other serious exemptions outlined in the Act. This enables whistleblowers to expose matters of public concern, even if they are initially categorized as sensitive or confidential.

Section 12(2) clarifies that a public institution may deny a request for information if its disclosure would harm public safety, interfere with legal processes, or compromise security. However, it also asserts that disclosure is mandatory if the public interest in making the information available outweighs the potential harm. This section thus supports whistleblowing by ensuring that, in certain situations, sensitive information can be disclosed to prevent harm or address public risks, reinforcing the principle that the public's right to know can supersede concerns about confidentiality when public welfare is at stake⁸¹. These sections collectively provide a legal framework that encourages the disclosure of important public information while offering protection to individuals who expose wrongdoing or public safety risks.

3.3.4. The Whistleblower Policy of the Federal Government of Nigeria (2016)

The Whistleblower Policy of the Federal Government of Nigeria (2016), introduced by the Federal Ministry of Finance, aims to encourage the reporting of financial crimes, especially in the public sector. The scope of this policy is, however, limited, as it primarily addresses financial

⁹⁴ Nigeria, *Freedom of Information Act 2011*, Federal Government of Nigeria, 2011, <https://www.cbn.gov.ng/foi/freedom%20of%20information%20act.pdf>

wrongdoing such as misappropriation of funds, bribery, and corruption within government institutions. This policy has not been extended to the private sector or to broader forms of misconduct beyond financial crimes. Therefore, while it represents a significant step in the fight against corruption, it is constrained by its narrow focus on public sector financial misconduct⁹⁵.

One of the key components of the policy is the incentive structure that rewards whistleblowers with a percentage (ranging from 2.5% to 5%) of the amount recovered as a result of their disclosures. This financial reward system has been seen as a powerful motivator for encouraging citizens to come forward with information about wrongdoing. The success of this approach can be illustrated by the recovery of significant sums of money through whistleblowing tips, such as the discovery of funds in a Lagos apartment in 2017. While this financial incentive has encouraged many to step forward, the policy's reliance on such rewards has raised concerns about its sustainability and the ethical implications of offering monetary incentives for reporting crime⁶⁹. However, despite the positive impact in terms of fund recovery, the limitations of the policy have become apparent. One of the most significant drawbacks is the lack of a comprehensive legal framework to protect whistleblowers from retaliation. Although the policy offers a reward system, it does not provide adequate protection for whistleblowers who face reprisals from employers or colleagues. The slow response by the government to address these issues, coupled with the absence of a robust whistleblower protection law, has meant that whistleblowers often remain vulnerable to harassment, discrimination, or even violence⁸². This gap in legal protections undermines the effectiveness of the policy and has led to calls for more comprehensive legislation, such as the proposed Whistleblower Protection Bill⁶⁹.

⁹⁵ C. Nwoha. *Corruption and whistleblowing policy in Nigeria: Gains and challenges*. *Fjsstudies*, 4(1), 2021, 65–71.

3.4 Analysis of any Nigerian cases on Whistleblowing, Wrongful Dismissal/Protection of Informants

3.4.1 Whistleblowing Related Cases

Whistleblowing, broadly understood as the disclosure of wrongdoing by insiders, has become a crucial tool in anti-corruption efforts worldwide. In Nigeria, however, the legal architecture for protecting whistleblowers remains weak and piecemeal. The courts, in a number of high-profile matters, have intervened to provide relief to individuals punished (or dismissed) after making disclosures. This chapter surveys Nigeria's judicial response through landmark cases, assesses the patterns of protection or gaps, and situates them in the broader institutional context.

We focus on two central Nigerian cases with publicly documented judgments: Aaron Kaase v. Police Service Commission (reinstatement) and Thomas Abiodun Olamide v. Ogun State College of Health Technology / Ogun State AG (dismissal and compensation). Each is examined in terms of the court, docket number (where available), judge, and operative relief, with commentary on their significance.

3.4.1.1 Case Study 1: Aaron Kaase — Reinstatement after suspension

In May 2015, Aaron Kaase, a Principal Administrative Officer with the Police Service Commission (PSC), lodged a petition with the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC), alleging misappropriation of funds to the tune of ₦275 million by PSC officials, including the then PSC Chair, Mike Okiro⁹⁶. Subsequently, Kaase was suspended indefinitely from his position without pay and without being

⁹⁶ Platform to Protect Whistleblowers in Africa (PPLAAF). (2017, November 30). *Nigeria: Court orders whistleblower's reinstatement.* PPLAAF. <https://www.pplaaf.org/2017/11/30/nigeria-court-orders-whistleblower-reinstatement.html>

accorded the procedural rights under the Public Service Rules. He challenged the suspension before the National Industrial Court (NIC)⁹⁷. On 30 November 2017, the National Industrial Court sitting in Abuja, in a 10-page judgment delivered by Justice R. B. Hastrup, held that the PSC had denied Kaase his constitutionally guaranteed right to fair hearing and had failed to follow laid down disciplinary processes under the public service rules. The court declared the suspension null, void, and of no effect, and ordered his immediate reinstatement along with payment of all salaries, allowances, and benefits withheld during the suspension period⁸³. The precise docket or suit number is not publicly cited in the news analyses. However, the judgment is often referenced as an NIC (National Industrial Court) decision of November 2017⁸⁴. After the judgment, the PSC formally reinstated Kaase via a letter dated 7 March 2018 (PSC/PN/173/I/195) following “consecutive strikes out” of the spurious charges brought against him. Civil society groups such as CSNAC (Civil Society Network Against Corruption) hailed the approach as a triumph for whistleblower protection in Nigeria⁸⁴. This case is often cited as a de facto judicial protection for whistleblowers in Nigeria, even though the ruling was premised on procedural fairness in labor/public service law rather than a specific whistleblower statute⁸³.

3.4.1.2 Case Study 2: Thomas Abiodun Olamide — Dismissal for whistleblowing, reinstatement and damages

Thomas Abiodun Olamide (a registered nurse) was employed by the Ogun State College of Health Technology. During her tenure, she reported irregularities, including theft of drugs under the NHIS program, misappropriation of clinic generating sets, and interference with

⁹⁷ Premium Times. (2018, March 8). *Whistleblower's reinstatement: CSNAC hails judiciary, demands Okiro's prosecution*. Premium Times Nigeria.

<https://www.premiumtimesng.com/news/more-news/262226-whistleblowers-reinstatement-csnac-hails-judiciary-demands-okiros-prosecution.html>

investigations into an alleged rape of a nursing student. As a result of these disclosures (i.e. her whistleblowing activities), the College viewed her as insubordinate and dismissed her in 2023. She filed Suit No. NICN/LA/125/2023 at the National Industrial Court, Lagos Division, naming the College and the Ogun State Attorney General as defendants⁹⁸. On 27 August 2025, Justice S. A. Yelwa of the National Industrial Court (Lagos Division) delivered judgment. The court declared that Olamide's dismissal was unlawful, unfair, and null and void. It ordered her immediate reinstatement, payment of all outstanding salaries, allowances, and entitlements from the date of her suspension/dismissal to date of reinstatement, and awarded compensation of ₦5 million (Five Million Naira) in damages for the wrongful dismissal. The judgment explicitly framed her as a whistleblower entitled to protection against victimization, harassment, and intimidation by the defendants⁸⁵. These two central cases—Kaase and Olamide—offer judicial anchors in Nigeria's fragile whistleblower landscape. They demonstrate that the courts are willing to invoke constitutional and labour rights to protect those who expose wrongdoing. But they also expose major limitations: the protection is reactive, limited in scope, and contingent on a litigant's capacity to reach court.

3.4.2 Whistleblowing and Protection of Informants in Nigeria

Whistleblowing has been defined as the process of reporting any anomaly that occurs in an organisation to the appropriate authority, and such anomalies may include “corruption, health and safety issues, financial misappropriation, fraud, mismanagement or waste of public or investors' funds⁹⁹. The purpose of promoting whistleblowing in Nigeria is to encourage the

⁹⁸ Starconnect Media. (2025, August 27). *Court reinstates dismissed whistleblower, awards N5 million as damages*. Starconnect Media. <https://starconnectmedia.com/court-reinstates-dismissed-whistleblower-awards-n5-million-as-damages/>

⁹⁹ A. Okoye. *Organisational fraud and the role of whistle-blowers in Nigeria: A critical appraisal*. Queen Mary Law Journal, 8, 2017, 35–50.

exposure of illegal conduct in organisations in Nigeria, through improved legal protection similar to those obtainable in the USA, the UK and Ghana. When an individual notices impropriety being carried out in an organisation, the person faces four options—report internally, ignore it, leave the organisation, or blow the whistle externally by, for example, notifying the media. The third option, he warned, is very risky due to the fear of losing their present and future job opportunities, as well as due to the possibility of victimisation, especially in countries without adequate legal and regulatory whistleblower protection⁸⁶. Employers in Nigeria often perceive whistle-blowers as disloyal; thus they suspect reoccurring disloyalty from whistle-blowers if hired, thereby placing them on a blacklist of unemployable potential re-offenders and being deterred from hiring them, while whistle-blowers themselves also fear social ostracism from their co-workers⁸⁶. These realities demonstrate the continuing inadequacy of legal and institutional frameworks to protect informants in Nigerian workplaces.

3.4.3 Decline of Whistleblowing Policy Effectiveness

Recent scholarship notes a troubling regression in Nigeria's whistleblowing enforcement. The whistleblowing policy in Nigeria has experienced a significant decline in effectiveness and enforcement in recent years several whistleblowers have faced reprisals including job losses, threats, and legal challenges, often with little to no support from the government to address these repercussions. They warn that given the pervasiveness of corruption the reduced level of efficacy in whistleblowing is extremely worrying, since in the absence of robust whistleblowing systems, corruption will continue to be inadequately challenged and misappropriation and the continuous decay of democratic institutions will continue¹⁰⁰. Consequently, scholars argue that revitalizing

¹⁰⁰ I. S. Bolarinwa, T. Olola, M. Awofadeju, & B. Fonkem. *The death of whistleblowing policies in Nigeria and how it entrenches corruption and financial misappropriation*. IRE Journals, 7(6), 2023, 376–382.

whistleblowing policies cannot be overstated as these mechanisms directly influence the capacity of institutions to combat corruption, and that an effective policy not only deters potential corrupt activities by increasing the likelihood of detection and punishment but also fosters an environment of accountability and transparency^{86, 87}. These findings reflect the urgent need for a stronger legislative and administrative framework that truly protects whistle-blowers from retaliation.

3.4.4 Witness Protection and Safeguarding Informants

It was observed that over the years, victims and witnesses of crimes in Nigeria have been neglected and left without any form of formal recognition or protection prosecutors are faced with the unwillingness of witnesses to cooperate because of intimidation, fear of possible reprisals or actual threats to their lives. Witness intimidation is detrimental to the successful trial of criminal cases aims at discouraging individuals from cooperating with law enforcement authorities. For instance, during efforts to prosecute members of the Boko Haram sect witnesses were unwilling to testify because of the weakness of not having a robust witness protection program. Protection is a range of measures adopted at any stage of criminal proceedings to safeguard witnesses and ensure their cooperation through providing evidence, whose purpose is to minimise and manage any risk(s) witnesses may face resulting from their interaction with prosecutors and security agencies. Her analysis highlights how the absence of such structured protection mechanisms discourages whistle-blowing and testimony in corruption and security-related cases¹⁰¹.

3.4.5 Wrongful Dismissal and Employment Protection Cases

¹⁰¹ S. O. Oyakhire. *An appraisal of the emerging jurisprudence for the protection of witnesses in Nigeria*. University of Benin, 2022.

Within employment law, the jurisprudence on wrongful termination and damages in Nigeria has been analysed. Under the common law master-servant employment relationship an employee whose employment is wrongfully terminated is only entitled to recover damages typically, the monetary equivalent of the prescribed notice period. However, the National Industrial Court of Nigeria (NICN) has departed from this position, a shift confirmed by the Court of Appeal in *Sahara Energy Resources Ltd. v. Oyebola*, where in deserving cases, damages exceeding the ordinary notice period can be awarded. The authors further cite *Aloysius v. Diamond Bank Plc.*, in which the National Industrial Court (NICN) awarded higher damages and held that termination without valid reason is contrary to international labour standards, a position affirmed in *Sahara Energy Resources Ltd. v. Oyebola*. They describe this as a paradigm shift can be viewed as a necessary step to enhance employment security in a context of high unemployment. Collectively, these cases demonstrate an emerging judicial willingness to extend greater protection to employees against wrongful dismissal, paralleling the broader movement for safeguarding whistle-blowers and witnesses in Nigeria¹⁰².

3.5 Summary of Chapter Three

Chapter Three focuses on the legal and institutional framework for whistleblowing in Nigeria, tracing its historical evolution, current structure, and ongoing challenges. The chapter explains that although whistleblowing has become a vital anti-corruption mechanism, Nigeria's protective systems remain weak and fragmented. Initially, there were no formal safeguards for individuals exposing misconduct, which left whistleblowers vulnerable to intimidation, dismissal, and physical harm. The introduction of the Whistleblower Policy in 2016 marked a turning point by

¹⁰² N. E. Abangwu, U. G. Oyibodoro, D. T.A. Eyongndi, S. Shaba & F. O. Opara. *Measurement of quantum of damages for wrongful termination of employment in Nigeria: Gleaning lessons from Ghana and Malaysia*. *Lentera Hukum*, 12(2), 2025, 198–228.

offering financial rewards for reports that led to asset recovery. This initiative contributed significantly to uncovering corruption and recovering public funds, yet it lacked a solid legal foundation to protect whistleblowers from retaliation.

Subsequent efforts, such as the Whistleblower Protection Bill of 2019, sought to institutionalize legal protections, including confidentiality guarantees and employment safeguards. However, the bill has suffered repeated delays in the National Assembly, leaving whistleblowers exposed to professional and personal risks. Despite the success of the 2016 policy in recovering over ₦83 billion, \$609 million, and €5.4 million, the absence of comprehensive legislation has limited its effectiveness. Civil society organizations like AFRICMIL and the National Human Rights Commission (NHRC) have continued to advocate for stronger legal frameworks and judicial support, framing whistleblower protection as a fundamental human rights issue.

Institutionally, the Ministry of Finance, working alongside the EFCC, ICPC, and NFIU, coordinates whistleblowing implementation under the Presidential Initiative on Continuous Audit (PICA). These agencies have played central roles in verifying reports and recovering assets, but weak coordination, bureaucracy, and lack of awareness have undermined performance. Moreover, cultural barriers—such as fear of betrayal, lack of trust in institutions, and societal stigma—have discouraged public participation in whistleblowing. While reforms like the Treasury Single Account (TSA) have improved financial transparency, they cannot substitute for legal protection mechanisms.

The chapter concludes that whistleblowing in Nigeria stands at a crossroads: it has proven effective in exposing corruption and recovering stolen assets, yet remains hampered by legislative gaps, institutional weaknesses, and a culture of silence. Without a binding legal framework and stronger protection for informants, whistleblowing cannot reach its full potential

as a tool for corporate governance and national accountability. The chapter calls for urgent passage of a comprehensive Whistleblower Protection Act, cultural reorientation, and sustained collaboration between government institutions and civil society to secure a transparent and ethical governance environment.

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Chapter Four

Comparative Analysis and Challenges of Whistleblowing

4.1 Comparative Legislative Approaches to Whistleblowing in China and India

Whistleblowing is regularly identified as corporate control mechanism to prevent and uncover fraud. In the People's Republic of China and India there are several regulations that deal with whistleblowing and whistleblower protection in the private sector. They can be categorized into two groups: general laws applicable to whistleblowing cases and specific regulations directly created for whistleblowers¹⁰³. In 2008, China released the so-called China-SOX in order to provide legal protection to corporate whistleblowers from retaliation and to establish and standardize internal controls. Article 43 of the China-SOX contains rules on whistleblowing, including both regulations for the implementation of a whistleblowing system, as well as to protect whistleblowers.

Similar to China, there are also laws in India that apply to the field of whistleblowing. In 2004, India introduced the first whistleblowing regulations applicable only to the public sector with the Public Interest Disclosure and Protection of Informers Resolution (PIDPIR). The Whistleblower Protection Act was amended and supplemented in 2015 by the Whistleblower Protection Bill. However, there are whistleblowing regulations that do apply to the private sector in Clause 49 of the Listing Agreement of the Securities and Exchange Board of India (SEBI)⁹⁰. In both countries, there are regulations, both for the public and private sector, which have been specially designed

¹⁰³ S., Oelrich, & K. Erlebach. Taking it outside: A study of legal contexts and external whistleblowing in China and India. *Asian Journal of Business Ethics*, 10, 2021, 129–151.

for whistleblowers India has a more coherent system, China has more fragmented regulations. The general preference of internal over external channels is similar across countries. The use of an external channel is usually associated with more negative and severe impact for the companies concerned. It is therefore in their self-interest to foster the use of internal channels. We show that employees choose external channels when fear of retaliation is high and when they work for smaller companies. In addition, women not only are more likely to choose external channels but also are less influenced by retaliation than their male colleagues⁹⁰.

The state of Queensland was one of the first governments in Australia to develop and adopt whistleblowing legislation. The Whistleblowers Protection Act (WPA) was created as a direct consequence of massive corruption in the Queensland public service throughout the late 1980s and into the 1990s¹⁰⁴. The Queensland scheme was used to model other state whistleblowing legislation in Australia, including the legislation passed by the federal government in the Public Service Bill of 1999. By contrast, in the U.S. whistleblowing legislation, and consequent administrative/organizational structure implemented to support the legislation, prioritizes the person from whom the information came more so than the information itself. The Queensland model creates a forum for which dealing with the reported misconduct is actualized. The United States, being a system predicated on the ideology of freedom of speech, allows for disclosures of any sort even those that are self-serving in nature. In contrast to the American model, the best example of disclosure rights and protections for employees is the Queensland legislation⁹¹

¹⁰⁴ S. Groeneweg. *Three whistleblower protection models: A comparative analysis of whistleblower legislation in Australia, the United States and the United Kingdom*. Public Service Commission of Canada, 2001. Retrieved on the 4th of November, 2025 from [Three whistleblower protection models : a comparative analysis of whistleblower legislation in Australia, the United States and the United Kingdom / Sheryl Groeneweg, Comparative Merit Systems Unit. : SC3-165/2001E-PDF - Government of Canada Publications - Canada.ca](#)

Whistleblower protection is increasingly recognised as important for the detection and rectification of wrongdoing in and by organisations, as well as for enforcement of citizen and worker rights. However, the form of the legal protections and regimes needed to achieve these objectives remains contentious¹⁰⁵.

International recognition of the importance of whistleblowing through multi-lateral agreements such as the United Nations Convention Against Corruption (UNCAC) and G20 Anti-Corruption Action Plan has created a demand for best-practice legislative models. There has been a new focus on comparative analysis of existing laws and the extraction of key principles to guide such legislation⁹². Notwithstanding international interest, there is no single ‘ideal’ or ‘model’ law that can be readily developed or applied for most, let alone all countries. This is due to the diverse and intricate ways in which such mechanisms must rely on, and integrate with, a range of other regimes in any given jurisdiction. It is one of the first national laws to seek to integrate divergent approaches to the ‘anti-retaliation’ model of whistleblower protection as well as setting new standards for the role of ‘public whistleblowing’ in such a regime. The law thus provides new departure points for efforts to align and reconcile the ‘anti-retaliation’, ‘institutional’ and ‘public’ approaches to whistleblowing, in a mutually-reinforcing fashion.

The study also reinforces that there is no single ‘ideal’ or ‘model’ law. Nevertheless, the experience demonstrates that a more ideal approach to law reform is feasible—one which recognises the different purposes and dimensions of whistleblowing laws, and thus makes informed legislative choices in particular contexts. The researcher classified whistleblowing system, its protection in Indonesia, and compared it with practices in the United States of

¹⁰⁵ A.J. Brown. Towards ideal whistleblowing legislation? Some lessons from recent Australian experience. *European Journal of International and Comparative Law Studies*, 2013, 43–63.

America (USA)¹⁰⁶. It finds that whistleblowing has been proven as one of most effective way to nurture good corporate government. ... This research suggested Indonesian government to improve whistleblowing system through comprehensive legislations and coordination among related institutions⁹³.

The Congress enacted the Corporate and Auditing Accountability and Responsibility Act 2002 that is known as Sarbanes-Oxley Act (SOX 2002) after huge corporate scandals such as Enron and WorldCom. As the improvement of SOX 2002 in protecting whistleblowers, Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 includes the significant changes to the whistleblower protection law in the United States. In Indonesia, there are three laws related to whistleblowing (1) UU 31 the year 1999 [Pemberantasan Tindak Pidana Korupsi], (2) UU 8 the year 2010 [Pencegahan Pemberantasan Tindak Pidana Pencucian Uang], (3) UU 13 the year 2006, that is amended by UU 31 the year 2014 [Perlindungan Saksi dan Korban]. Coverage and Reportable Fact of SOX 2002 protection under SOX 2002 is afforded to an employee who provides information regarding any conduct in which he reasonably believes that his employer has violated any rules of the Securities Exchange Commission. As a result of the Dodd-Frank Act, SOX 2002 applies to not only the employees of any publicly traded company but also to employees of its subsidiaries or affiliates⁹³.

¹⁰⁶ D.S. Rahardjo. A comparative analysis of whistleblower's protection in Indonesia and United States of America. *Humaniora*, 8(2), 2017, 181–189

4.2 United Kingdom: The Public Interest Disclosure Act (PIDA) 1998 – key features and effectiveness

Whistleblowers play an essential role in promoting integrity and accountability in both public and private institutions. Exposing wrongdoing in the workplace, whistleblowers make important contributions to the campaign against corruption. Whistleblowers make disclosures in the public interest, but they do so at their own risk. In the past, they were at the mercy of the common law application of general employment principles. Now, PIDA has inserted Part IVA into the Employment Rights Act 1996 (ERA)¹⁰⁷. The Public Interest Disclosure Act 1998 (PIDA) was therefore enacted to safeguard those who disclose information concerning malpractice or illegality in their organisations. It inserted Part IVA into the Employment Rights Act 1996 (ERA) to provide protection for workers who ‘blow the whistle’ by reporting wrongdoing. The whistleblowing protections provide workers with a remedy should they suffer any detriment or be dismissed as a result of blowing the whistle” (Department for Business, Innovation and Skills¹⁰⁸.

PIDA’s architecture was built on an explicit insertion into existing employment law. Part IVA is comprised of sections 43A to 43L, which focus specifically on disclosures. These provisions form a guideline on how and to whom protected disclosures should be made. Under the statute, protected disclosures’ are ‘qualifying disclosures’ made in accordance with the requirements set

¹⁰⁷ K. Bouloy. *The Public Interest Disclosure Act 1998: Nothing More than a ‘Cardboard Shield’*. *Manchester Student Law Review*, 1(1), 2012, 1–12.

¹⁰⁸ Department for Business, Innovation and Skills (BIS). (2013). *Call for Evidence: The Whistleblowing Framework*. London: UK Government. Retrieved on the 4th of November, 2025 from [Whistleblowing framework: call for evidence - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270441/whistleblowing_framework_call_for_evidence.pdf)

out in sections 43B to 43H of PIDA. These requirements include: the type of information that can be disclosed and to whom the disclosure can be made⁹⁴.

The United Kingdom government has periodically revised PIDA to address identified weaknesses. The Department for Business, Innovation and Skills (2013) summarised four major reforms introduced to modernise the whistleblowing framework: Four changes were introduced: (1) A public interest test was introduced, requiring individuals bringing a claim at the Employment Tribunal to show a reasonable belief that their disclosure was made in the public interest; (2) An amendment was made to the good faith test... (3) An amendment was made so that an individual who has suffered a detriment from a co-worker as a result of blowing the whistle may bring a claim against that individual; (4) the definition of 'worker' in section 43K of the ERA was amended⁹⁵. Despite these modifications, the overall effectiveness of the framework remains contested. The Government believes that the overall framework works well. However, the majority of this legislation has not been reviewed since its introduction in 1998, and this has led us to question the effectiveness of the framework against the backdrop of a change in ways of working and a shifting dynamic in the labour market⁹⁵. *Azmi v Orbis Charitable Trust* (2000) highlighted "the uncertainty on the part of employees, the lack of transparency, and the dissatisfactory response to complaints, which arise when internal procedures are inadequate⁹⁴.

PIDA makes it unlawful for an employer to dismiss or victimise a worker for having made a 'protected disclosure' of information. Richard Shepherd MP introduced PIDA as a Private Member's Bill in 1997 and during its introduction, he noted that the Bill is, as its name implies, a public interest measure. Were it merely an employee rights measure, I doubt that I would be able to inform the committee that its objectives are supported by the Institute of Directors, the

Confederation of British Industry and the Committee on Standards in Public Life as well as the Trades Union Congress.’ (Public Interest Disclosure Bill Deb 11 March 1998)¹⁰⁹.

The Act was passed to provide legal protection for workers who blow the whistle on wrongdoing in the workplace. It amended the Employment Rights Act 1996 (ERA) in England, Scotland and Wales¹¹⁰. Lord Nolan, former Chair of the Committee on Standards in Public Life, praised PIDA for ‘so skillfully achieving the essential but delicate balance between the public interest and the interest of employers.’ Since its introduction, PIDA has been hailed as a best-practice model for whistleblower protection and its approach has been adopted around the world¹¹¹. The protection provided by the Act is not subject to any qualifying period of employment and so is referred to as a ‘day one’ right in employment law. By contrast under ordinary unfair dismissal, there is a two-year qualifying period⁹⁶.

A disclosure will not ‘qualify’ for protection unless, in the reasonable belief of the worker, the information is in the public interest and tends to show one or more of a number of listed ‘wrongdoings’. The qualifying disclosure will not be protected if by making the disclosure the worker commits an offence such as breaching the Official Secrets Act or misconduct in public office. The categories of wrongdoing in section 43B of PIDA are: (a) criminal offences; (b)

¹⁰⁹ Public Concern at Work. (2013). *Report on the effectiveness of existing arrangements for workplace whistleblowing in the UK*. London: Whistleblowing Commission. Retrieved on the 4th of November, 2025 from [Standards-Guides-Codes-EUR-2013-Report-into-the-effectiveness-of-existing-arrangements-for-workplace-whistleblowing-in-the-UK.pdf](#)

¹¹⁰ Department for Business and Trade & Grant Thornton UK LLP. (2023). *Understanding the effectiveness of the whistleblowing framework in Great Britain*. London: HM Government. Retrieved on the 4th of November, 2025 from [Understanding the effectiveness of the whistleblowing framework in Great Britain](#)

¹¹¹ Public Concern at Work. (2009). *10 Years of the Public Interest Disclosure Act*. London: PCaW. Retrieved on the 4th of November, 2025 from [Ten Years of Public Interest Disclosure Act 1998 Claims: What Can We Learn from the Statistics and Recent Research?, Industrial Law Journal | 10.1093/indlaw/dwq018 | DeepDyve](#)

failure to comply with legal obligations; (c) miscarriages of justice; (d) dangers to health or safety; (e) dangers to the environment; (f) deliberate concealment of any of the above categories⁹⁶.

PIDA has a tiered disclosure regime giving virtually automatic protection to those who raise a concern internally with their employer. Protection is also readily available for disclosures to prescribed regulators (such as the Financial Services Authority, the Health and Safety Executive or the Care Quality Commission). In certain circumstances, wider disclosures (for example to an MP or the media) may also be protected⁹⁷. Disclosure to an employer will be protected if the worker makes a qualifying disclosure to the employer or, in certain circumstances, to a Minister of the Crown. Disclosure to a regulator will also be protected if the worker makes a qualifying disclosure to a 'prescribed person', reasonably believing that the information and any allegation contained within it are substantially true. Disclosure to the wider public [to] any person or body [is protected] provided that a number of detailed and complex conditions are satisfied including that the worker does not make the disclosure for purposes of personal gain and that it is reasonable to make the disclosure in the circumstances⁹⁶.

The Act covers all workers across all sectors, including temporary agency staff and all NHS staff including General Practitioners. Its broad application includes UK workers based overseas although it does not cover the genuinely self-employed or volunteers. At present non-executive directors are not covered by PIDA. There has been concern that whistleblowers are being gagged in compromise and severance agreements. While the law is clear that clauses that attempt to gag an individual from making a PIDA-protected disclosure are void, what happens in practice may be different⁹⁷. In terms of compensation, damages under PIDA are uncapped. Overall £9.5 million has been awarded to successful PIDA claimants⁹⁶. The 2023 review confirmed that the

Public Interest Disclosure Act 1998 framework remains the foundation of the current Great Britain whistleblowing regime, with the following objectives: to provide a route for workers to make whistleblowing disclosures; to protect workers who have made disclosures from detriment and dismissal; and to support wider cultural change, in which the benefits of whistleblowing are recognised and lead to action among employers and others⁹⁷. The report noted that while the framework is generally seen as comprehensive and conceptually robust, there remain calls for greater clarity, consistency of enforcement, and stronger institutional oversight⁹⁷.

4.3 South Africa: Protected Disclosures Act (PDA) – a model for a standalone law

The PDA is derived from Part 5 of the Open Democracy Bill [B67-98], which contained a chapter on the protection of whistle-blowers. When the Portfolio Committee on Justice and Constitutional Development ('the Committee') reported to Parliament on the Bill it stated that while all parties were unanimously of the view that this legislation was vital for the fight against crime, it was not appropriate to include a chapter on the protection of whistle-blowers in legislation dealing with the right of access to information. Parliament thus embarked on a process of redrafting the chapter into separate legislation, the Protected Disclosures Bill [B30-2000]. The Bill was presented to Parliament and later enacted as the PDA (South African Law Reform Commission [SALRC, 2007).

Whistle-blowing generally entails that employers facilitate disclosures by employees concerning wrong-doing in the workplace. Employees are often in the best position to detect criminal activities and irregular conduct at work. The PDA was enacted with a view to creating a culture in which employees may in a responsible manner disclose information of criminal or other irregular conduct in the workplace by providing comprehensive statutory guidelines for the disclosure of such information and protection against any reprisals as a result of such disclosure

(SALRC, 2007). Prior to 2000, neither the South African common law nor statutory law made provision for the protection of whistle-blowers. The enactment of the PDA therefore brought significant relief to whistle-blowers. The preamble to the PDA refers to the creation of a culture that will facilitate whistle-blowing and affirms the need for statutory protection mechanisms¹¹².

In drafting the Protected Disclosures Act, the legislature sought to fill a void in our jurisprudence, a lacuna where neither common law nor existing statutory frameworks provided for the processes or protections due to those who disclosed improprieties in the public or private spheres. The objective of the PDA is to protect employees or workers and ensure that they can come forward without fear of reprisal when disclosing information relating to suspected or alleged criminal or other irregular conduct by their employers.” (Platform to Protect Whistleblowers in Africa [PPLAAF, 2023]). The PDA aims to create a culture which will facilitate the disclosure of information by employees and workers in the workplace in a responsible manner by providing comprehensive statutory guidelines for the disclosure of such information and protection against reprisals.” (PPLAAF, 2023).

The PDA came into effect in 2001 and was substantially amended in 2017. The amendments expand protection to ‘workers’ in addition to employees; however, it does not include general members of the public. It also expanded the definition of an ‘occupational detriment’ to include any civil claim by the employer for the alleged breach of a confidentiality agreement or duty of confidentiality. A further amendment introduced the obligation on employers to authorise appropriate internal procedures for receiving and dealing with improprieties and to take

¹¹²W. Nortje. Section 9B of the Protected Disclosures Amendment Act 5 of 2017: Discouraging whistle-blowing in South Africa? *Journal of Anti-Corruption Law*, 2(2), 2018, 196–213.

reasonable steps to bring internal procedures to the attention of every employee and worker. The amendments also create a new liability: an employer and its client are jointly and severally liable for occupational detriment under specific circumstances. In complying with its obligation under the AU Convention, the amendments also introduced criminalising the intentional disclosure of false information (PPLAAF, 2023).

The Protected Disclosures Act recognises that, prior to its enactment, South African law lacked mechanisms to allow employees to report criminal or irregular conduct without fear of reprisals. It emphasises that all employers, employees, and workers share a responsibility to disclose such misconduct, and that employers have a responsibility—though not a strict legal duty—to protect those making protected disclosures. The Act's purpose is to promote a culture of responsible whistle-blowing by providing clear statutory guidelines and protection against retaliation. In *Potgieter v Tubatse Ferrochrome*, the court emphasised that fostering a culture of disclosure is a constitutional imperative central to building a just, democratic society. This obligation aligns with South Africa's international commitments, particularly Article 33 of the United Nations Convention Against Corruption (UNCAC)⁹⁹. Unlike countries such as Canada, where private-sector protection is limited, the PDA applies equally to both public and private-sector employees. An 'employee' includes anyone who works or has worked for an employer or the State, including former employees, excluding independent contractors. The definition of 'worker,' added by amendment, covers a broader group, including independent contractors, consultants, agents, and temporary workers, ensuring they are also protected." (PPLAAF, 2023).

South Africa has chosen to ignore the omission of the criminalisation of false disclosures from UNCAC and has opted instead to implement the criminalisation provisions of the AU Convention and the SADC Protocol. This is disappointing considering the expectation which the

PDA has created regarding the protection of whistle-blowers in a society where corruption is rife. However, there will be individuals who provide false and malicious information with intent, and such persons should not be allowed to do so with impunity⁹⁹. Whistle-blowers should be afforded the highest level of protection before and after exposing corrupt activities. However, the AU Convention and the SADC Protocol make it clear that individuals may be prosecuted for disclosing false and malicious information. It may be accepted that persons should not be protected if they give false information, as this may be akin to the crime of perjury. It is argued here that whistle-blowers deserve a fair degree of latitude, but not necessarily preferential treatment. They are extremely vulnerable and should be afforded the highest level of protection⁹⁹.

4.4 Challenges to Effective Whistleblowing in Nigeria

4.4.1. Legal Challenges: Fragmented laws, weak retaliation protections, ambiguity in provisions, low enforcement.

All of these laws are not contained in one legal document but are rather scattered across various documents. However, the availability of environmental laws in the country has not translated into a cleaner environment. The fact that these laws are codified in different legal instruments has also raised concerns as to which law applies to any given situation and which agency should see to it that the law is enforced as it has led to situations where it has occasioned difficulty in monitoring, enforcement and compliance. In many cases, the multiplicity of functions scattered across different agencies has led to noncompliance of these laws by oil companies who exploit this lacuna in enforcement to their advantage¹¹³. Legal Gaps and Institutional Fragmentation: The

¹¹³ Z. O., Edo, L. Etemike & V.E. Clark. Exploring barriers to environmental law enforcement and compliance in Nigeria Niger Delta Region. *Journal of Danubian Studies and Research*, 12(1), 2022, 229–233.

proliferation of overlapping responsibilities between local, state, and federal authorities creates a legal vacuum that undermines planning. Nigeria lacks a unified legislative approach to urban development, resulting in conflicts between statutory bodies and customary institutions. This fragmentation not only causes inefficiencies but also opens loopholes for corruption and weakens citizens' trust in land governance¹¹⁴.

The problem of institutional overlap further complicates land use regulation. Numerous bodies including federal ministries, state urban development boards, and local government planning authorities share responsibilities for land management, often without clear jurisdictional boundaries. This multiplicity of actors leads to duplication, regulatory delays, and exploitation of legal loopholes. Umeh stressed that this institutional ambiguity fosters bribery, inefficiency, and political interference¹⁰¹.

“One of the primary legal challenges in enforcing local content requirements in Nigeria’s oil and gas sector is the conflict arising from overlapping regulatory mandates. ... The unclear division of responsibilities among these regulators leads to duplication of efforts and conflicting directives, which weakens the overall enforcement framework” (International Journal of Research and Innovation in Social Science [IJRISS], 2025, p. 5062)

Existing Planning and Zoning Laws are often fragmented, outdated, and weakly enforced. As cities expand rapidly, these regulatory deficiencies have contributed to spatial chaos, infrastructural failure, and growing socio-economic disparities. The coexistence of customary and statutory systems without clear harmonization has resulted in uncertainty, inequity, and

¹¹⁴ I. Ikechukwu-Chime. Legal and institutional constraints in Nigerian urban governance. *International Journal of Studies in Education*, 16(3), 2020, 48–52.

inefficiency in land access and use. Reforms aimed at clarifying tenure systems, strengthening documentation, and integrating customary rights into statutory frameworks are therefore essential¹⁰¹. Clarity can in fact be understood from the linguistic perspective of readability, simplicity and conciseness. Yet it can also be seen from a more legal perspective a text is clear if it provides the reader, immediately and unequivocally, with a precise solution in a concrete case. Thus the conclusion is that, paradoxically, the principle of clarity is not as clear as it would first appear, since the two above-mentioned perspectives conflict. The requirement to draft clear laws stands in counterpoint to a long tradition of criticism citing such concepts as a pathology, decline, a crisis, and a sickness of law [including] the unintelligibility and obscurity of norms and the ineffectiveness of law¹¹⁵.

Weak retaliation protections leave these employees exposed to reprisal from their employers. Employers comparing the costs associated with retaliating against employees with the benefits gained can easily see that the weaker retaliation protections are, the more beneficial the retaliatory behavior becomes to employers. This increases the likelihood that employees who file claims will experience some form of retaliation. Aggrieved employees weigh the utility of filing the claim for redress against the likelihood and costs of possible reprisal. Anemic retaliation protections increase the likelihood that these employees will experience retributive behavior from their employer. When the costs of filing a claim outweigh the benefits, employees may opt to accept discriminatory treatment or not report employer misconduct¹¹⁶.

¹¹⁵ A. Flückiger. *The ambiguous principle of the clarity of law*. In A. Wagner et al. (Eds.), *Obscurity and Clarity in the Law*. Ashgate, 2008, 9-24

¹¹⁶ S. Steele. Rationing retaliation claims. *UC Irvine Law Review*, 13, 2023, 993–1032.

Judicially created doctrines ... exacerbate the problem of having narrow interpretations of anti-retaliation law. The Faragher/ Ellerth defense allows employers to escape liability ... if two criteria are met. ... In other words, to be able to recover, the Court requires employees to report the misconduct, yet weakens the very laws that protect employees from reprisal if they report misconduct. This renders those employer policies and procedures ineffective and symbolic in nature¹⁰³. Weak enforcement emboldens developers to ignore zoning regulations, encroach on ecological zones, and build without permits. The failure to demolish illegal structures or prosecute offenders signals a breakdown of the rule of law. This legal laxity fosters spatial disorder, weakens development planning, and exposes cities to environmental and infrastructural risks¹⁰¹. Enforcement mechanisms are critically weak, particularly at the local level. Most development control agencies lack the financial and technical capacity to monitor land use violations. Furthermore, enforcement efforts are often compromised by political interference, where influential developers are shielded from legal sanctions¹⁰¹. Even where legal provisions exist enforcement remains severely compromised. Multiple institutional, social, and political challenges contribute to a systemic failure in recognizing, investigating, prosecuting, and preventing bias-motivated violence.

Public apathy, fear of retaliation and lack of whistle-blower protection discourage citizens from reporting corruption. Whistle-blower Protection Policy launched in 2016; however, enforcement and protection remain weak¹¹⁷. The absence of an effective witness protection system and the risk of victimisation have further curtailed public cooperation. Despite public declarations of support for anti-corruption, political leaders often interfere with investigations, especially when

¹¹⁷ P.A. Essoh, S.D. Udom & S.A. Okoro. *An assessment of Nigeria's anti-corruption agencies: Challenges and implications for national development. International Journal of Social Science and Humanities Research*, 8(5), 2025, 1–14.

allies are involved. Selective prosecution and a lack of autonomy for anti-graft agencies erode public trust. The persistence of high-profile corruption cases and the apparent inability of anti-graft agencies to secure timely and effective prosecutions raise serious concerns about the institutional capacity and integrity of Nigeria's anti-corruption framework¹⁰⁴.

Despite formal legal mandates, anti-graft agencies suffer from chronic underfunding, lack of skilled personnel and weak enforcement capacity. These limitations are compounded by the politicisation of anti-corruption efforts, which often results in selective investigations and prosecutions based on political interests rather than legal merit¹⁰⁴. Internal weaknesses such as poor commitment to ethical standards, accountability and transparency within the agencies themselves—factors that erode public trust and limit the scope for institutional reform¹⁰⁴. Without citizen engagement and protection mechanisms, whistleblowing as a tool for accountability remains weak¹⁰⁴. Political interference continues to be a formidable obstacle to effective whistleblowing. When politically exposed persons are implicated, cases are often stalled, dismissed, or redirected under opaque conditions, leaving whistleblowers unprotected. Delays in trials, frequent adjournments and legal technicalities allow suspects to evade justice. High-profile cases sometimes take years without resolution, weakening the deterrent effect¹⁰⁴.

Public administration in Nigeria is characterised by low transparency, pervasive patronage, and limited accountability. These systemic issues frustrate citizen reporting and diminish confidence in anti-corruption bodies. The failure of leadership to institutionalise open-government practices perpetuates secrecy and limits the emergence of a strong whistleblowing culture¹¹⁸. Bureaucratic

¹¹⁸ I. Chime. Public accountability and ethical governance in Nigeria: The paradox of institutional corruption. *International Journal of Social Sciences and Education (IJOSE)*, 16(3), 2020, 40–46.

bottlenecks, political patronage, and fear of losing employment prevent civil servants from disclosing corrupt practices, even when evidence is available. Weak enforcement of public-sector ethics codes and inadequate punitive measures embolden offenders and discourage internal reporting. Nigeria's public accountability framework relies heavily on hierarchical loyalty rather than institutional checks, making whistleblowing appear as betrayal rather than civic duty. Fear of victimisation, lack of legal immunity, and social ostracism are recurring deterrents to disclosure of official corruption. Unless the Nigerian state demonstrates consistent political will by protecting informants and enforcing sanctions against retaliatory acts, whistleblowing will remain symbolic rather than transformative¹⁰⁵.

4.4.2. Socio-Cultural Challenges: Fear of retaliation, "African brotherhood" and loyalty, stigma, lack of trust in anonymity, corruption.

One of the key features of the extended family system as practised in Africa is communalism. From a general perspective, communalism means the living together by members of the extended as a harmonious community where each person is his brother's keeper. Living in community here connotes the idea of collaboration towards the realization of the common good¹¹⁹. Enshrined within the definition, is the idea of the bond of brotherhood that holds those living communal life together. Obviously without such sentiment of unity and brotherhood pursuing a common good by the community would not be possible. This is explained by the fact that it is such spirit of brotherhood that guides their behaviour especially for those who act in the capacity of civil servants¹⁰⁶.

¹¹⁹ W.O. Otaluka. *The Cultural Roots of Corruption: An Ethical Investigation with Particular Reference to Nepotism*. University of KwaZulu-Natal, 2017. Retrieved on the 4th of November 2025 from [The cultural roots of corruption : an ethical investigation with particular reference to nepotism. | Semantic Scholar](#)

Africans believe in a general bond of relationship. This in his account implies that everybody is related to everyone in a complex bond of mutuality. Though such blood bond cannot be traced but they are known by the gods who reward in accordance to how one upholds his obligations to respect such blood bonds. Abakare emphasis that this is the foundation and basis of life in African communities¹⁰⁶. What the label communalism place in the minds of African is nothing but the idea of common spirit, a collective spirit of being together; harmoniously working for the benefit of all the substance of the communal life in the whole of Africa. Each individual member of the community sees the community as themselves, as one with them in character and identity. Each individual sees every other individual member as another self¹⁰⁶. The study revealed that whilst the Ghanaian culture ranks high on ‘collectivity’ which suggests that people are bond to one another, the Ghanaian culture equally reveres wealth and riches... various whistle blowers have rather become victimized and even sidelined¹²⁰.

4.4.3. Organizational Challenges: Lack of internal reporting channels, weak corporate culture that punishes dissent, absence of training and awareness.

Transparency International underscores that “Four components are essential for an effective reporting mechanism: active encouragement to speak up, confidential reporting channels, an effective response system and robust user protection. However, the main challenges in the adoption of internal reporting procedures are to create an environment where people feel safe to

¹²⁰ E. Yeboah-Assiamah, K. Asamoah, J.N. Bawole, & J.L. Musah-Surugu. A socio-cultural approach to public sector corruption in Africa: Key pointers for reflection. *Journal of Public Affairs*, 16, 2016, 279–293.

raise concerns and to overcome doubts that anything will be done about them¹²¹. The tone from the top, together with managers leading by example, is key (Transparency. In Indonesia's public organizations, the internal complaint provides many positive implications for the improvement of government organizations but fear of retaliation tended to be more dominant (higher), compared to public service motivation¹²². These findings confirm that if people do not have knowledge of appropriate channels and fact-revealing procedures, they will hesitate to report it¹⁰⁹. Similarly, most large multinational enterprises have some type of 'speak up' mechanism in place. However, most of these companies fail to provide users with effective protection against retaliation¹⁰⁸. While most organisations reported having systems for recording and tracking concerns of wrongdoing, 37.1 per cent of small organisations had no particular system in place, either altogether, or as needed when concerns were raised⁹².

Employees become too scared to express negative feedback they worry their co-workers or managers will think less of them others believe that dissent carries a high risk of retaliation—regardless of any assurances to the contrary—or that their views will be ignored. When these perceptions start to impede open communication, the ensuing lack of knowledge can cause considerable harm. Indeed, attitudes of fear and futility have grown so strong in some firms as to dissuade employees from dissenting even in situations where human life is at stake¹²³. The toxic-culture dimension is reinforced by the administrative science perspective, which notes that

¹²¹ Transparency International. (2017). *The Business Case for "Speaking Up."* Berlin: Transparency International. Retrieved on the 4th of November, 2025 from [2017_BusinessCaseSpeakingUp_EN.pdf](#)

¹²² Y. Ulfah, I. Irwansyah, M. Ikbah, A. Paminto & D. C. Darma. Employees Faced with Whistleblowing Reporting Channel Alternatives. *Revista Espacios*, 41(31), 2020.

¹²³ J.W. Yockey. The Fiduciary Duty of Dissent. *Villanova Law Review*, 69(1), 2024, 157–208.

organizations not only constitute causes of corporate crime, but also offer opportunities for its prevention corporate crimes often stem from an absence or poor quality of formal procedures for business conduct. This is consistent with findings that compliance systems can also be introduced as symbolic responses to external pressure resorting to check-the-box bureaucratic ritualism and cosmetic compliance¹²⁴. The 2008 global financial crisis demonstrated very clearly how regulation and existing corporate governance mechanisms failed to prevent dysfunctional behaviour from spreading and seemingly thriving businesses from collapsing. Trust has been eroded across a range of sectors, and society now demands more accountability at board level¹²⁵. Educating employees about internal complaints not only informs employees about the availability of various internal channels but also provides the signal that the organization supports and encourages individuals who are willing to disclose fraudulent information¹⁰⁹.

4.5 Comparative Perspectives on Whistleblowing in Other Jurisdictions

Effective whistleblower protection is widely recognized as a vital component of corporate governance, helping to uncover misconduct and deter retaliation. This section examines how four jurisdictions – the United Kingdom (UK), the United States (US), South Korea, and South Africa – have developed mechanisms to protect whistleblowers. The analysis focuses on key protective strategies in each country, including confidentiality guarantees, legal immunity provisions, anti-retaliation remedies, financial rewards, broad scope of coverage, and dedicated institutions or authorities. By understanding these international approaches, clear lessons emerge for strengthening Nigeria's own whistleblower framework.

¹²⁴ B. Van Rooij & A. Fine. Toxic Corporate Culture: Assessing Organizational Processes of Deviancy. *Administrative Sciences*. 2018, 8. 23. [10.3390/admsci8030023](https://doi.org/10.3390/admsci8030023).

¹²⁵ P. Moxey & P. Schu. *Culture and Channelling Corporate Behaviour: Summary of Findings*. ACCA, 2014. Retrieved on the 4th of November, 2025 from [tech-tp-cacsb.pdf](https://www.acca.org.uk/technical/technicalpublications/cacsb.pdf)

The UK's whistleblower protection regime is primarily based on the Public Interest Disclosure Act 1998 (PIDA), which amended the Employment Rights Act 1996. PIDA was enacted to encourage disclosures of wrongdoing in the public interest and to shield whistleblowers from retaliation. Under this law, whistleblower protection is a "day-one right" – employees and other workers are protected from their first day of work, with no minimum service required. If an employee is dismissed for making a protected disclosure, it is deemed automatically unfair, and unlike ordinary unfair dismissal claims, there is no cap on the compensation that can be awarded. Workers (beyond just traditional employees) are also protected from any "detrimental" treatment (such as harassment or demotion) due to whistleblowing. PIDA's definition of "worker" is broad, extending protection to agency staff, contractors, trainees, and others who personally perform work for an employer. However, certain groups like genuinely self-employed individuals, volunteers, and non-executive directors are not covered, which has prompted campaigns to further expand the law's scope.

UK law encourages whistleblowers to report internally or to appropriate authorities and allows them to request confidentiality. While PIDA does not explicitly guarantee anonymity, an official UK government guide notes that an employee can give their name "and request confidentiality, with the person or body they tell making every effort to protect [their] identity". Employers and regulators are expected to handle disclosures sensitively and keep the whistleblower's identity confidential as far as possible. Many UK organizations maintain confidential hotlines, and regulators like the Financial Conduct Authority (FCA) stress their commitment to protecting whistleblowers' identities. For example, in 2021 the FCA launched an "In confidence, with confidence" campaign to assure professionals in the financial sector that their reports would be handled confidentially and that their identity would be protected. Moreover, UK law voids any

contractual gag orders that would prevent someone from whistleblowing. Section 43J of the Employment Rights Act makes non-disclosure agreements (NDAs) or confidentiality clauses unenforceable insofar as they purport to restrict a worker from making a protected disclosure. In other words, an employer cannot legally enforce an NDA to silence a whistleblower – a critical legal immunity that empowers individuals to speak up without fear of breaching contract. This anti-gagging provision ensures that confidentiality agreements do not undermine the public interest in exposing wrongdoing.

Besides voiding NDAs, UK whistleblowers benefit from other legal protections that indirectly grant immunity. If a disclosure meets the PIDA criteria (e.g. the whistleblower reasonably believes it is in the public interest and reports specific types of wrongdoing), the whistleblower is shielded from civil liability in many cases. For instance, a whistleblower who leaks information or documents in a protected disclosure would have a defense against breach of confidentiality or even defamation claims, since the disclosure is legally protected (Protect, 2018). The primary focus of UK law, however, is on employment remedies. Whistleblowers who suffer retaliation can bring claims to an employment tribunal. Anti-retaliation remedies under PIDA include reinstatement to their job or compensation for losses. Compensation is uncapped and can include damages for lost earnings and injury to feelings. UK tribunals have awarded substantial sums in whistleblowing cases, which serves as a deterrent to employers contemplating retaliation. Notably, a whistleblower need not prove the disclosure was true – only that they had a reasonable belief it was true and in the public interest. This standard protects well-intentioned reporters even if they are mistaken, thereby fostering a speak-up culture.

In contrast to some jurisdictions, the UK historically does not offer general monetary rewards to whistleblowers. There is no equivalent to the bounty programs seen in the US. A 2024 analysis

observed that “unlike in other jurisdictions such as the US, the provision of financial incentives to those who blow the whistle is not generally a feature” of the UK framework. Neither the FCA nor the Serious Fraud Office offers rewards, and Her Majesty’s Revenue and Customs (HMRC) only pays modest sums for tips about tax fraud, far smaller than U.S. payouts. One niche exception is the Competition and Markets Authority’s program, which increased rewards for cartel informants up to £250,000. However, these are limited cases; the prevailing approach in the UK has been to rely on moral and legal duty rather than financial enticement. There are signs of rethinking this stance – for example, the Director of the SFO in 2024 publicly suggested that incentivizing whistleblowers with rewards could greatly boost enforcement outcomes, citing the U.S. success. Still, as of now, rewards are not a mainstream feature of UK whistleblower policy.

The UK does not have a single dedicated whistleblower protection agency. Instead, it uses a system of “prescribed persons” – regulators and public authorities authorized to receive whistleblowing reports in specific areas. For instance, financial services employees can go to the FCA or Bank of England, health workers to the Care Quality Commission, etc., and be protected so long as the disclosure falls within that body’s remit. Companies in regulated sectors are even required to appoint a senior manager as a “whistleblowing champion” to oversee internal reporting procedures. These measures embed whistleblowing into corporate governance structures. There have been growing calls, however, for more centralized oversight. In 2023 the government began reviewing the whistleblowing framework’s effectiveness. A draft Whistleblowing Bill 2024 has proposed creating an Office of the Whistleblower, an independent body to champion whistleblower rights and enforce penalties for retaliation. This office would have powers to levy civil fines and even pursue criminal sanctions against those who subject whistleblowers to detriment. While it remains to be seen if this reform will pass, its consideration

underscores an understanding in the UK that robust institutions are needed to further strengthen whistleblower protections and, by extension, corporate accountability.

Overall, the UK's mechanisms have enhanced corporate governance by legitimizing whistleblowing as a responsible activity and integrating it into oversight processes. By assuring employees that they can report issues (fraud, safety hazards, legal breaches, etc.) without fear of losing their job, PIDA has helped promote a more transparent organizational culture. Many companies have internal whistleblowing policies aligned with PIDA, and boards treat whistleblowing data as an important indicator of risk management. The UK Corporate Governance Code explicitly encourages boards to establish channels for concerns to be raised confidentially. This environment can deter wrongdoing from occurring in the first place and enables earlier intervention when problems arise. However, observers note that the UK framework has gaps (e.g. lack of coverage for some groups and the absence of incentives) and that a truly "speak-up" culture is still evolving. Even so, the UK is often cited as a leading example in Europe for protecting whistleblowers, and its ongoing reforms aim to further reduce retaliation and improve corporate integrity.

The United States has a multi-layered whistleblower protection system, with different laws addressing various sectors and types of wrongdoing. This patchwork approach covers corporate employees, government workers, and even private individuals, and it pairs strong anti-retaliation measures with significant financial incentives in certain cases. U.S. regulators and enforcement agencies also play a proactive role in safeguarding whistleblowers, reflecting a legal culture that increasingly views whistleblowers as key allies in promoting corporate compliance and accountability. Unlike the UK's single overarching statute, U.S. protections are spread across numerous laws. For corporate whistleblowing, two landmark federal statutes are particularly

notable: the Sarbanes–Oxley Act 2002 (SOX) and the Dodd–Frank Wall Street Reform and Consumer Protection Act 2010. SOX was enacted after the Enron scandal to improve corporate governance in publicly traded companies, and it contains whistleblower provisions requiring internal reporting mechanisms and prohibiting retaliation against employees who report financial misconduct. Under SOX §806, employees of publicly-traded companies (and their contractors and subcontractors) who report on fraud or securities law violations are protected from discharge or discrimination. This protection was later interpreted to extend even to employees of private contractors of public companies (e.g., an accounting firm’s staff can be protected when blowing the whistle on a client). Dodd–Frank built on SOX by creating additional whistleblower incentives and protections, especially in the securities industry. Importantly, Dodd–Frank and related SEC rules protect not only employees but any individual who provides information to the SEC about securities law violations. In practice, this means consultants, investors, or even company outsiders can be “whistleblowers” to the SEC and qualify for rewards, although anti-retaliation employment remedies apply primarily to employees.

U.S. law explicitly forbids a wide range of retaliatory acts. For example, Dodd–Frank §21F and SEC Rule 21F-2 make it unlawful for any employer to “discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate” against a whistleblower because of lawful whistleblowing. Similar language in SOX and other laws covers retaliation, and it broadly encompasses not just firing but also things like pay cuts, blacklisting, or intimidation. Whistleblowers who experience retaliation have legal remedies. Dodd–Frank gives whistleblowers a private right of action to sue in federal court and seek remedies including reinstatement, double back pay with interest, and compensation for litigation costs and attorneys’ fees. Double back pay is a significant punitive remedy designed to deter employers from

retaliating (it means the whistleblower can recover twice the wages lost due to retaliation). Under Sarbanes–Oxley, retaliation claims initially go through the Occupational Safety and Health Administration (OSHA), an agency that investigates whistleblower complaints for a range of statutes; if relief isn't granted in a timely way, the whistleblower can proceed to court. Remedies under SOX include reinstatement, back pay, and special damages (for emotional distress, reputational harm, etc.). Additionally, enforcement agencies themselves can act against retaliators. The SEC, for instance, has used its authority to sue companies that retaliate against whistleblowers who reported to the SEC. This occurred in a landmark SEC retaliation case in 2014 (SEC v. Paradigm Capital), signaling to companies that retaliation can trigger regulatory penalties in addition to private lawsuits.

U.S. whistleblower programs place a strong emphasis on confidentiality to encourage reporting. Under the SEC's whistleblower program, the Commission is legally required to keep whistleblowers' identities confidential, except in very limited circumstances (such as when disclosure is required in a public court proceeding or to other agencies as part of an investigation, and even then subject to protective measures). The SEC will not disclose a whistleblower's identity under the Freedom of Information Act and takes measures to avoid revealing identifying information in enforcement actions. Moreover, the SEC allows anonymous reporting – an individual can submit a tip anonymously as long as they are represented by an attorney who verifies their identity to the SEC in confidence. This mechanism has been very effective: it lets whistleblowers come forward without initially even revealing their name to the government, thereby minimizing fear of being exposed. Only if a reward is to be paid does the whistleblower eventually need to be identified (to ensure payment and eligibility). Other U.S. programs follow similar confidentiality practices: the Commodity Futures Trading Commission (CFTC) and

Internal Revenue Service (IRS) have whistleblower programs that also protect identities. Internally, SOX requires audit committees of public company boards to establish procedures for confidential or anonymous submissions of accounting and auditing concerns by employees (Sarbanes–Oxley Act §301). This led to the widespread adoption of whistleblower hotlines at companies, often operated by independent third parties to ensure anonymity. By embedding confidentiality and anonymity options, U.S. mechanisms aim to reduce the risk of retaliation – if a whistleblower’s identity is unknown or legally shielded, it is harder for an employer to single them out for reprisals.

U.S. whistleblower laws also grant certain immunities to whistleblowers. A notable example is in the realm of information disclosure. It is unlawful for any agreement or policy to impede whistleblowing. SEC Rule 21F-17(a) explicitly prohibits any person from enforcing or threatening to enforce a confidentiality agreement to prevent someone from communicating with the SEC. In practice, this means companies cannot use NDA clauses to gag employees from reporting securities violations; if they attempt to, the SEC can take enforcement action (and indeed has fined companies for overly restrictive confidentiality agreements). This rule provides whistleblowers with immunity from contractual liability for sharing company information with regulators. Additionally, U.S. law carves out immunity in specific contexts: for instance, the Defend Trade Secrets Act of 2016 grants immunity to whistleblowers from civil or criminal liability under trade secret law if they disclose a trade secret in confidence to a government official or attorney for the purpose of reporting a violation of law. Another form of immunity is leniency for whistleblowers who participated in misconduct. While not automatic, enforcement agencies often consider a whistleblower’s cooperation as a mitigating factor. In South Korea (discussed below) this concept is codified; in the U.S., it’s more discretionary. However, for

certain crimes like antitrust cartels, the Department of Justice offers formal leniency programs to the first reporter (though that is a corporate leniency program, not an individual whistleblower reward program). In summary, U.S. policies strive to remove legal barriers that might chill whistleblowing – whether by nullifying gag clauses or by assuring individuals they won't be prosecuted for the act of reporting.

A hallmark of the U.S. approach is the use of financial rewards (bounties) to incentivize whistleblowers, especially in uncovering corporate fraud. The False Claims Act (FCA), originally enacted in the 19th century and modernized in 1986, pioneered this approach by allowing whistleblowers (called “relators”) to file qui tam lawsuits against fraudsters on behalf of the government and receive 15–30% of any recovery. The logic is to encourage insiders to come forward about fraud against government programs. The FCA has been enormously successful, recovering over \$2.2 billion in settlements and judgments in fiscal year 2022 alone – with 86% of those cases initiated by whistleblowers. Following this model, the Dodd–Frank Act established reward programs at the SEC and CFTC. Under the SEC Whistleblower Program, eligible whistleblowers are entitled to 10% to 30% of the monetary sanctions collected in actions where the sanctions exceed \$1 million. As of 2023, the SEC had awarded nearly \$2 billion to whistleblowers since the program's inception. These rewards can be substantial: in some cases, individual whistleblowers have received tens of millions of dollars for contributing to successful enforcement actions. The SEC program also permits rewards for related actions by other agencies, and the CFTC and IRS have similar schemes (the IRS pays 15–30% for large tax recoveries). The availability of rewards in the U.S. has clearly motivated greater reporting – the SEC reports thousands of tips per year from around the world. Rewards not only compensate whistleblowers for the personal and career risks they take, but also signal societal value placed

on their information. Critics argue that bounty programs may encourage frivolous or bad-faith reports, but the agencies have procedures to weed out unmeritorious claims. Overall, the U.S. experience demonstrates that rewards can significantly enhance enforcement by leveraging insider knowledge that would otherwise remain hidden.

The complexity of U.S. whistleblower law means multiple agencies are involved in whistleblower protection. The SEC's Office of the Whistleblower is a dedicated unit that administers the SEC reward program, reviews tips, and coordinates protection of whistleblowers within SEC enforcement. The Office of the Whistleblower also engages in public outreach to encourage reporting. The U.S. Department of Labor's OSHA Whistleblower Protection Program enforces the anti-retaliation provisions of 20+ federal laws (ranging from corporate fraud to transportation safety and environmental laws); it investigates complaints and can order remedies. Additionally, the U.S. Office of Special Counsel is an agency devoted to protecting federal government employees who blow the whistle on waste or illegality in government. While the U.S. lacks a single omnibus whistleblower agency, these various offices and programs serve the function of safeguarding whistleblowers in their respective domains. They also provide channels for reporting outside of a whistleblower's immediate workplace, which is crucial if the employer is involved in the misconduct. For example, a corporate employee can go directly to the SEC or OSHA rather than rely solely on internal reporting. This external avenue itself bolsters corporate governance: companies know that if they ignore or suppress internal reports, the whistleblower may escalate the issue to regulators, potentially leading to investigations, fines, and public exposure. This creates a strong incentive for corporate boards and management to take whistleblower complaints seriously and address problems proactively.

U.S. whistleblower protections have had a transformative effect on corporate governance and compliance culture. In the wake of SOX and Dodd–Frank, publicly traded companies instituted more rigorous internal controls and ethics programs. Audit committees set up confidential reporting hotlines as required by law, and many companies expanded these to cover all types of misconduct, recognizing that early internal detection is preferable to regulatory intervention. The knowledge that employees have legal safeguards and could receive large rewards for reporting externally encourages companies to listen to whistleblowers and rectify issues to avoid escalation. There are numerous examples of whistleblowers exposing major corporate frauds (e.g., accounting fraud at companies like Enron, WorldCom, or more recently, financial institutions) which, once revealed, led to strengthened governance and reforms. The presence of robust anti-retaliation laws also helps reduce the fear among employees that speaking up will automatically cost them their career. While retaliation still occurs, the avenues for redress (OSHA investigations, SEC enforcement, and private lawsuits) mean companies can be held accountable for punishing whistleblowers. In some cases, companies have had to pay significant damages to whistleblowers for retaliatory dismissal, reinforcing the message that retaliation is bad business. In sum, the U.S. approach – combining protection, confidentiality, and rewards – has leveraged whistleblowing as a powerful tool to enhance transparency, detect and deter corporate misconduct, and ultimately strengthen the integrity of financial markets and organizations.

South Korea is often highlighted as a country with innovative and comprehensive whistleblower protections, particularly in how it links whistleblowing to anti-corruption efforts. Over the past two decades, South Korea has enacted strong laws that encourage reporting both in the public and private sectors, backed by a dedicated anti-corruption agency. These measures not only protect whistleblowers from retaliation but also actively reward them, reflecting a public policy

choice to incentivize the exposure of wrongdoing for the greater good of society and corporate governance. The cornerstone of South Korea's system is the Act on the Protection of Public Interest Whistleblowers 2011, which covers disclosures of wrongdoing in both government and private companies that affect the public interest (such as public safety, health, environment, consumer rights, fair competition, etc.). An earlier law, the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission (ACRC) Act 2008, laid the groundwork by encouraging reporting of corruption in the public sector. Crucially, South Korea established the Anti-Corruption and Civil Rights Commission (ACRC) as a central authority to oversee whistleblowing. The ACRC is a multifaceted institution – it acts as an ombudsman, anti-corruption commission, and whistleblower protection agency in one. Whistleblowers (dubbed “public interest reporters”) can file reports directly with the ACRC, which will investigate or refer the matter to the appropriate agency. The ACRC is empowered to take protective measures for whistleblowers and even sanction those who retaliate. For example, if a whistleblower in a corporation faces reprisals, the ACRC can order the person's employer (or relevant authority) to reinstate them or stop the detrimental action. The ACRC's mandate covers not only public officials but also employees of private organizations and anyone who reports wrongdoing that impacts the public interest, making the scope very broad.

South Korea's laws put a premium on maintaining the whistleblower's confidentiality. The law explicitly provides that “the identity of a reporter should not be disclosed without their consent”, and any information that could identify the whistleblower must be kept secret. This confidentiality obligation applies to the ACRC and to any officials handling the report. In fact, breaching a whistleblower's confidentiality is punishable. To further facilitate anonymity, a recent amendment allows whistleblowers to use “proxy lawyers” to file reports on their behalf,

with the government even covering the legal fees for this service. This innovative mechanism means an individual can retain a lawyer who submits the disclosure to the ACRC, thus the whistleblower's own identity may never be revealed even to the authorities (unless necessary later). This level of anonymity is a cutting-edge practice that directly reduces fear of retaliation. The motto "While you protect society, the laws protect you" is used in public awareness, reinforcing that a whistleblower's secret will be kept and their identity protected.

South Korea offers an important form of legal immunity through its "reduction of culpability" provisions. If a whistleblower was involved in the misconduct they are reporting, the law allows prosecutors or authorities to either not charge them or to seek reduced penalties for them as a reward for coming forward. Specifically, if the whistleblower's tip leads to uncovering a crime in which the whistleblower participated, any punishment for that person "may be reduced or exempted" by virtue of their cooperation. This is effectively a statutory leniency for whistleblowers, encouraging insiders (who might have been complicit under pressure) to break ranks and report without facing the full brunt of the law. Additionally, whistleblowers in Korea are protected from civil liability for their disclosures. The law shields them from defamation suits or breach of confidentiality claims, provided the disclosure meets the criteria of the law (e.g., it was not made for personal gain or out of malice). The South Korean framework is rigorous in preventing and penalizing retaliation. If a whistleblower faces any disadvantage in their job – such as firing, suspension, salary reduction, reassignment, harassment, or blacklisting – due to reporting, the whistleblower can request the ACRC to intervene with "protective measures". The ACRC can issue an order to the employer to reinstate the individual or restore their position and benefits. Notably, the law extends protection beyond the workplace: if the whistleblower or their relatives face threats to their personal safety, the ACRC can arrange police

protection. Furthermore, those who retaliate against a whistleblower can face direct sanctions. For instance, if an official takes adverse action against a whistleblower, the ACRC can impose an administrative fine (e.g., 10 million KRW, roughly \$8,000) on that official. If the official fails to comply with an ACRC restoration order (for example, refuses to reinstate the employee), that non-compliance is a criminal offense punishable by up to one year imprisonment or an additional fine. These strong penalties aim to deter retaliation by making it not only unlawful but personally costly for perpetrators. The comprehensive nature of protection – covering employment, personal safety, and legal liability – significantly reduces the risks whistleblowers face, thereby encouraging more individuals to speak out against corruption or corporate misconduct.

South Korea stands out for its generous whistleblower reward system. Whistleblowers are eligible for monetary rewards if their report leads to the recovery of government revenues or prevention of financial loss to the state. Under the law, if a whistleblower's information directly results in the government recovering money (for example, unpaid taxes, fines, or embezzled funds), the whistleblower can receive up to 3 billion KRW as a reward. 3 billion KRW is approximately \$2.5 million USD – a significant sum that underscores the value placed on informants in major cases. The exact reward is calibrated to the amount recovered, up to that cap. In addition to rewards (which are tied to financial recovery), Korea also provides for “awards” or honorariums for whistleblowers whose disclosures benefit the public interest even if no money is recovered. These awards can be up to 200 million KRW (around \$160,000) for cases where the whistleblower's information led to substantial improvement in public safety or welfare. This dual system of rewards and awards means that even whistleblowers who expose, say, a serious safety violation (with no direct financial component) can be financially recognized. Statistics indicate the system's impact: between 2008 and 2019, the ACRC paid whistleblowers about \$800,000 in

awards across 93 cases, separate from the larger reward payouts for revenue-recovery cases. Moreover, South Korea has long-running reward programs in specific domains – notably, a Tax Evasion Informant Reward Program since 1951 that pays 5–20% of recovered taxes to whistleblowers. In recent years, the National Tax Service reported tens of millions of USD paid to whistleblowers, reflecting an aggressive stance on tax evasion enabled by informants. The availability of such rewards, similar to the U.S. model but even including domestic policy areas like tax and anti-corruption, has visibly encouraged people in Korea to come forward. It sends a message that whistleblowers are performing a public service and will be compensated for the risks they take.

South Korea's whistleblower laws cover a broad range of individuals and reportable issues. The term “public interest whistleblower” can apply to any person who reports a violation of law that harms the public interest, whether they are an employee, contractor, or even a member of the public. Employees in both the public sector and private companies are included. The laws protect not only current employees but also extend to people like former employees and job applicants in some instances. Uniquely, the South Korean law explicitly extends certain protections to a whistleblower's relatives and cohabitants. This acknowledges that retaliation can sometimes be indirect (for example, pressure or harm to a whistleblower's family), and seeks to guard against that. By encompassing virtually anyone who might be in a position to observe and report wrongdoing, the Korean system avoids the loopholes where a wrongdoer could claim a whistleblower isn't “covered” by the law. It thereby maximizes the pool of potential reporters and reinforces the norm that preventing harm to the public is everyone's business. The comprehensive nature of South Korea's whistleblower protections has bolstered both corporate governance and the fight against corruption. Companies in South Korea are aware that

employees (or even outsiders) can directly approach the ACRC with concerns, which creates an incentive for corporate leaders to establish effective internal compliance systems and address issues before they escalate. In the realm of corporate governance, whistleblowing is seen as an essential tool for transparency and accountability, complementing regulatory oversight. The reward system in particular has helped uncover cases that might have otherwise gone unnoticed. For example, there have been cases of major corporations engaged in price-fixing cartels or safety cover-ups that were exposed due to insider tips, resulting in government fines and improved practices. The ACRC's annual reports have noted that public awareness of whistleblower protections has grown, and the stigma that once might have been associated with "informing" is diminishing as society recognizes the courage and positive impact of whistleblowers. By actively celebrating Whistleblower Day and highlighting success stories, South Korea has been fostering a culture where reporting misconduct is viewed as an honorable act of civic duty (ACRC, 2018). This cultural shift is a crucial aspect of corporate governance: when employees at all levels feel a responsibility to speak up about wrongdoing (and trust that they will be protected and even rewarded), organizations are far less likely to suffer catastrophic failures stemming from unchecked misconduct. South Korea's experience suggests that a strong legal framework, coupled with institutional support and incentives, can indeed enhance transparency and reduce retaliation, thereby contributing to cleaner governance both in government and in business.

South Africa's approach to whistleblower protection is grounded in the post-Apartheid push for transparency and good governance. The principal law, the Protected Disclosures Act 2000 (PDA), sometimes called the "Whistleblowers Act," was one of the first in Africa to provide broad protections to employees who expose wrongdoing. The PDA and subsequent amendments aim to

strike a balance: encouraging bona fide disclosures in the public interest and safeguarding whistleblowers from occupational detriment, while also addressing concerns about false allegations. In recent years, South Africa has recognized gaps in its framework and pursued reforms to strengthen it, especially in the wake of high-profile corruption scandals. Initially, the PDA focused on employees in both the public and private sectors, giving them immunity and remedies for disclosing certain improprieties (criminal offenses, legal violations, miscarriage of justice, danger to health or environment, etc.). However, the original law had notable exclusions – independent contractors, volunteers, and former employees were not explicitly protected, which left many whistleblowers vulnerable. A major step was taken with the Protected Disclosures Amendment Act 2017, which expanded the definition of who is protected. Under the amended PDA, protections extend to “workers” broadly, including contractors, consultants, agency-hired temporary workers, and even persons who are employees of a company’s suppliers. It also explicitly covers former employees and job applicants, recognizing that someone can face blacklisting or discrimination in hiring for being a whistleblower. Moreover, if a whistleblower is employed through a labor broker or outsourced situation, the law now holds both the direct employer and the client company jointly liable for any retaliation. This means, for example, if a contractor working at Company A’s site blows the whistle on Company A and is then removed by their agency at Company A’s request, Company A can be held liable for that detrimental action. Such provisions significantly broaden the scope of protection and reflect an understanding of modern work arrangements. The law also applies extraterritorially in some cases – a South African worker stationed abroad is still protected, and disclosures can concern conduct outside South Africa if it involves a South African employer. In addition to the PDA, the Companies Act 2008 complements whistleblower protection by covering not just employees but

also shareholders, suppliers, and others related to companies, allowing them to make protected disclosures about company affairs. The combined effect is a wide net of coverage aimed at enabling many stakeholders in and around organizations to report misconduct.

South African law recognizes the importance of confidentiality for whistleblowers, although it does not mandate anonymity to the extent of some other countries. Under the PDA, a whistleblower can request that their identity be kept confidential when making a disclosure to an authority, and in practice bodies like the Public Protector's office will try to shield the whistleblower's name. Importantly, the 2017 amendments took direct aim at confidentiality clauses and NDAs. The PDA as amended now states that any provision in an agreement that "purports to preclude the employee or worker from making a protected disclosure" is void. In plain terms, an employer cannot enforce a confidentiality agreement or secrecy clause to stop someone from whistleblowing. If an employment contract or settlement agreement had, for instance, a clause forbidding the employee from discussing company matters with outside parties, that clause cannot lawfully bar the employee from making a protected disclosure to regulators, law enforcement, or other designated channels. This is a critical legal immunity: whistleblowers are protected from civil claims by employers alleging breach of confidentiality. As one guidance article summarized, "you cannot contract out of the PDA via a secrecy clause." This reform came after concerns that some organizations were using NDAs to intimidate employees into silence about wrongdoing – now those tactics have been nullified by law. Maintaining confidentiality in practice, however, remains challenging in South Africa. Unlike the U.S. or Korea, there is no single secure drop-box or agency like the ACRC handling all whistleblower reports; disclosures might be made to various entities (employers, regulatory agencies, watchdog bodies), and ensuring the whistleblower's name does not leak can depend on the professionalism

of those entities. There have been cases where whistleblowers' identities became known and they faced external harassment or threats (discussed below), highlighting that legal provisions for confidentiality need strong implementation.

The PDA introduced the concept of protection against "occupational detriment," which encompasses a wide range of retaliatory actions: from dismissal and disciplinary sanctions to harassment, transfer against one's will, denial of promotion, or any adverse change in terms of employment. If an employee or worker suffers any occupational detriment because they made a protected disclosure, that action is unlawful. The whistleblower can approach the Labour Court or an employment tribunal equivalent (such as the Commission for Conciliation, Mediation and Arbitration) to seek relief. Remedies can include reinstatement to their job, compensation for lost wages, and other damages. There isn't a preset cap on compensation under the PDA; it's determined case by case, often analogized to an unfair dismissal claim (which in South Africa could include 12–24 months' salary as compensation, or more if there are additional damages). The 2017 amendments added further teeth to the anti-retaliation regime. They impose a duty on every employer to have appropriate internal procedures for whistleblowing and to formally publicize these to employees and workers. By law, companies must set up avenues for employees to report concerns (e.g., a whistleblowing policy or hotline) and inform all staff about how to use them. This proactive requirement aims to ensure whistleblowing is not just allowed but facilitated within organizations. Additionally, South African law now explicitly allows for personal liability of individuals who retaliate. While the PDA primarily creates vicarious liability for the employer, serious cases of victimization or intimidation could potentially be prosecuted under other laws (for example, if threats are made, it could fall under intimidation statutes or even criminal assault laws).

One noteworthy feature of the amendment is addressing malicious reporting. To maintain credibility and guard against abuse of whistleblower protections, the law created an offense for making disclosures knowing they are false or with willful intent to cause harm. A person convicted of this offense can face up to 2 years in prison or a fine. This provision, in effect, balances the protections by signaling that whistleblowing should not be used as a weapon for baseless personal vendettas. However, the threshold is high – it targets clear-cut, knowingly false allegations (proving that in court is difficult), so it likely deters only the most egregious bad-faith actors and does not diminish protection for those who have some reasonable basis for their report. South Africa's PDA provides whistleblowers immunity from certain legal proceedings if they meet the criteria for a protected disclosure. For example, if a whistleblower disclosed confidential government information or company documents as part of their report, they would ordinarily risk prosecution under secrecy laws or civil suits. But under the PDA, "no person may be liable to any civil, criminal or disciplinary proceedings" for making a protected disclosure (PDA §9). This is a broad immunity covering breaches of official secrecy or other restrictions, as long as the disclosure was protected (made to the proper channels, in good faith, etc.). This aligns with provisions in the South African Freedom of Information laws which also protect officials from disciplinary action if they release information on wrongdoing. That said, South Africa has stringent security laws (like the Protection of State Information legislation) and there remains tension in cases involving classified information. The PDA's immunity should, in principle, shield whistleblowers even in sensitive cases, but this might be tested in court.

South Africa does not have a single dedicated whistleblower commission akin to Korea's ACRC. Instead, it relies on existing institutions to serve as authorized recipients of disclosures. The PDA designates certain bodies, such as the Public Protector (an ombudsman for government

maladministration) and the Auditor-General, to receive disclosures about public sector or financial issues. Whistleblowers can also go to law enforcement agencies or regulatory bodies appropriate to the subject matter (for instance, the Financial Sector Conduct Authority for banking fraud, or sector-specific ombudsmen). In the private sector, whistleblowers often report internally first, but if that fails or is not feasible, they may report to external regulators or even the media (the PDA does allow going to the media as a last resort if very stringent conditions are met, such as the whistleblower believing they will suffer retaliation or that evidence will be concealed, and if no action was taken on an internal or regulatory report). The lack of a one-stop whistleblower authority in South Africa has been identified as a weakness – disclosures can sometimes fall through the cracks if the chosen authority does not act or if the whistleblower is unsure where best to report. In 2022, following the Judicial Commission of Inquiry into State Capture (the Zondo Commission), there were recommendations for reform, including possibly establishing a centralized whistleblower agency or at least a fund to support whistleblowers (Zondo Commission Report, 2022). As of 2025, these recommendations have spurred public debate and some government commitments to improve protections, but concrete changes are still in progress.

South Africa's whistleblower protections, on paper, meet many international best practices – broad coverage, employment protection, voiding of gag clauses, and legal immunity for disclosures. These have certainly helped raise awareness that whistleblowing is lawful and important for good governance. Whistleblowers have played a critical role in exposing corruption in South Africa's public enterprises and government contracts, particularly during the State Capture era (circa 2010-2018). For instance, whistleblower accounts were pivotal in unveiling large-scale procurement fraud and bribery involving state-owned companies and

private contractors. However, the experience of South African whistleblowers has often been harsh, underscoring gaps between law and reality. Retaliation in the form of dismissal, blacklisting, and even violence has occurred. The PPLAAF (2025) report on South Africa notes that while workplace retaliation is illegal, “external retribution for whistleblowing is alarmingly common”, including defamation lawsuits, financial ruin, and threats to life. Tragically, there have been cases of whistleblowers being assassinated or attacked in South Africa, indicating that protections around physical safety and witness security need bolstering. South Africa does have a Witness Protection Act (1998) which can relocate and protect witnesses in criminal cases, but this is typically invoked once a whistleblower is actively cooperating in a prosecution – it is not automatically triggered for someone who simply makes a report. The 2022 Witness Protection and Management Act may improve this for certain corruption cases, but it remains an area of concern.

From a corporate governance perspective, South Africa’s laws have mandated companies to take whistleblowing seriously internally. Many larger companies have instituted whistleblower policies, confidential hotlines (often run by third-party service providers), and training on ethics. The King IV Report on Corporate Governance (a key guidance in SA) also emphasizes the importance of speak-up mechanisms and ethical culture. The 2017 requirement that organizations implement internal reporting procedures and inform all employees is a positive step in governance. It forces management to think proactively about how to handle whistleblower complaints and protect those who come forward. In state institutions, however, compliance with these ideals has been uneven, and the culture change is ongoing. The recent high-profile cases and subsequent reforms indicate that South Africa sees strengthening whistleblower protection as integral to combating corruption and improving governance.

Proposed reforms (as of 2023) include potential reward systems (to encourage reporting of high-value corruption cases) and psychological and financial support for whistleblowers who suffer reprisals. If these reforms are implemented, South Africa could better realize the full potential of its whistleblower laws – ensuring that those who speak up are not only legally protected but practically and materially supported, thereby reducing retaliation in fact and not just in theory.

Lessons for Nigeria's Whistleblower Framework

The comparative analysis of the UK, US, South Korea, and South Africa reveals several best practices and cautionary tales that can guide Nigeria in strengthening its whistleblower protection framework. As of 2025, Nigeria's whistleblowing regime consists mainly of a 2016 Whistleblower Policy (offering financial rewards for tips on stolen assets) without a comprehensive legal protection statute. This policy has had some success in recovering funds, but the absence of robust legal protections has left whistleblowers in Nigeria highly vulnerable to retaliation and has dampened the policy's effectiveness over time. To cultivate a culture of accountability and enhance corporate governance, Nigeria can adopt the following key lessons from the jurisdictions studied:

Enact a Comprehensive Whistleblower Protection Law: All four comparator countries have dedicated legislation protecting whistleblowers (PIDA in the UK, multiple statutes in the US, the Public Interest Whistleblower Act in Korea, and the PDA in South Africa). Nigeria should prioritize passing its pending Whistleblower Protection Bill into law. Such a law should clearly define protected disclosures, cover both public and private sector wrongdoing, and outline the rights and remedies of whistleblowers. Codifying protections in law will provide the certainty and authority that a policy alone lacks, giving whistleblowers confidence that their rights are legally enforceable.

Broadening the Scope of Coverage: Nigeria's framework should protect all persons who may acquire information about wrongdoing, not only traditional employees. The UK and South Africa expanded coverage to contractors, temporary workers, former employees, etc., recognizing the modern workforce's diversity. U.S. and Korean laws even allow outsiders to report certain violations. Nigeria should ensure its law covers government workers, private company employees, contract and casual workers, suppliers, and any person who reports corruption or significant misconduct. Importantly, it should allow anonymous and confidential disclosures from citizens (for example, about public procurement fraud or corporate malpractices affecting consumers). A wide scope prevents wrongdoers from exploiting loopholes (such as claiming the whistleblower wasn't an "employee" and thus not protected) and increases the chances that someone will be able and willing to report an issue.

Guaranteeing Confidentiality and Enabling Anonymity: Fear of being identified is a top deterrent to whistleblowing. Nigeria can learn from South Korea's strict confidentiality provisions and the SEC's anonymous reporting mechanism. The new law should mandate that, except where required by law or necessary for investigations, a whistleblower's identity must not be disclosed without their consent. There should be penalties for officials or employees who unlawfully reveal a whistleblower's identity. Additionally, Nigeria should establish channels for anonymous reporting – for instance, an online portal or hotline where a whistleblower can submit information without giving their name, similar to the SEC's TCR portal. To facilitate this, the law might allow whistleblowers to use legal counsel or trusted third parties to report on their behalf (akin to Korea's "proxy lawyer" concept). Emphasizing confidentiality in the Nigerian context is crucial, given legitimate concerns about personal safety. In tandem, Nigeria should leverage its Witness Protection and Management Act 2022 to offer physical protection to

whistleblowers facing serious threats. By protecting identity and safety, Nigeria will reduce retaliation risks and encourage more insiders to come forward with critical information.

Robust Anti-Retaliation Measures and Remedies: Nigeria's law must explicitly prohibit retaliation in any form – firing, harassment, demotion, blacklisting, or threats – against whistleblowers. It should define retaliation broadly to cover both workplace actions and other harms (e.g., coercion or intimidation). Building on the US and South African models, the law should provide strong remedies for whistleblowers who suffer reprisals: reinstatement to their position (or an equivalent position if they were fired), compensation for lost earnings, and damages for trauma or reputational harm. Awarding double back pay (as under Dodd-Frank) or punitive damages could be considered to dissuade malicious retaliation. Additionally, Nigeria could adopt the UK's approach of uncapped compensation, signaling that whistleblowers should be made whole for all losses suffered. The process for seeking redress should be accessible – possibly through a specialized tribunal or by empowering an existing body like the National Industrial Court to handle such cases swiftly and sensitively. To further deter retaliation, Nigeria may incorporate penalties for retaliators. For example, borrowing from the proposed UK reforms and Korea's law, the Nigerian statute could make severe retaliation a punishable offense (with fines or imprisonment for those who victimize whistleblowers). This would underscore that silencing whistleblowers is a serious violation of public policy.

Legal Immunity for Whistleblowers: A Nigerian whistleblower law should immunize individuals from civil and criminal liability for making a protected disclosure. This means, for instance, that if a whistleblower shares company documents or confidential information as evidence of wrongdoing, they should not face lawsuits for breach of confidentiality or prosecutions under any Official Secrets Act (except in narrowly defined exceptional cases like national security

secrets, and even then there should be safe harbor if reported to appropriate authorities). South Africa's PDA and the UK's ERA (s.43J) both nullify confidentiality clauses that conflict with whistleblowing; Nigeria should do the same, explicitly voiding any contract term or law that would gag whistleblowers. Moreover, considering Nigeria's context of endemic corruption, it would be wise to include a provision similar to Korea's reduction of culpability: if a whistleblower participated in a corrupt act but then reports it, that cooperation should weigh in their favor, perhaps protecting them from prosecution or yielding a lesser penalty. This can crack open conspiracies by incentivizing wrongdoers to come forward first in exchange for leniency. Indeed, Nigeria's anti-corruption agencies (like EFCC and ICPC) might formalize such "whistleblower leniency" in their enforcement practices.

Financial Incentives Aligned with Public Interest: Nigeria has already experimented with rewards (the 2016 policy offers 2.5–5% of recovered funds). While this led to initial successes (nearly 2000 tips and significant asset recoveries), momentum waned, likely because of the lack of protection and maybe some mistrust in payouts. Formalizing and refining the reward mechanism in law could reinvigorate whistleblowing. The law should guarantee a certain percentage reward to whistleblowers whose information directly leads to monetary recovery above a threshold. For example, Nigeria could follow the U.S./Korea example and provide 10%–30% of recovered sums, possibly with a cap for practicality. It should also set clear procedures for claiming and receiving rewards to ensure transparency and trust in the system. In addition to corruption and asset recovery, Nigeria might consider rewards for reporting significant corporate frauds or financial crimes (as the U.S. SEC and CFTC do). However, it is important to balance incentives with oversight to avoid frivolous claims. Establishing a Whistleblower Reward Fund (perhaps funded through a percentage of corruption recoveries) could ensure whistleblowers are

paid promptly and protect the integrity of the reward process. The evidence from the U.S. and South Korea shows that well-publicized rewards can substantially increase the number and quality of tips, thus aiding governance by revealing hidden malfeasance. For Nigeria, where corruption can be deeply entrenched, tapping into insiders' knowledge via carefully calibrated incentives could be a game-changer – as long as those insiders also feel safe from retaliation.

Dedicated Whistleblower Protection Authority: Nigeria could greatly benefit from establishing a dedicated body or strengthening an existing institution to focus on whistleblower issues. The comparative models include independent agencies like the ACRC in Korea or proposed Office of the Whistleblower in the UK. In Nigeria's case, one approach might be to create a special unit within an anti-corruption agency (such as ICPC's Anti-Corruption Star Alliance, hypothetically) or as a joint office of EFCC, ICPC, and the Federal Ministry of Justice, that serves as the Whistleblower Protection Agency. This body's mandate would be to receive and handle whistleblower disclosures (especially those involving corruption or major corporate wrongdoing), ensure the whistleblower's confidentiality, coordinate investigations with relevant agencies, and enforce anti-retaliation protections. It could also manage the reward program. Having a one-stop agency would address the current situation where whistleblowers may not know where to report or may not trust multiple bureaucracies. The agency can act as a guardian for the whistleblower, advocating on their behalf if they face harassment by any employer or institution. For instance, if a civil servant blows the whistle on graft in a ministry and then faces disciplinary action, the whistleblower agency could intervene to suspend that action and provide legal support to the whistleblower. Furthermore, the agency can run public awareness campaigns to change perceptions about whistleblowing – much as Korea's ACRC has worked to celebrate whistleblowers' contributions (ACRC, 2018). Building trust in an agency's ability to protect will

be critical in Nigeria, where skepticism of government promises may be high. Alternatively, if creating a new agency is not feasible, Nigeria should at least designate clear “prescribed persons” or bodies (like anti-graft agencies, the Auditor-General, or a respected ombudsman) who are empowered and trained to receive protected disclosures and extend protections.

Cultivating a Supportive Environment and Culture: Legal changes alone will not suffice; Nigeria must encourage a cultural shift within both government and corporations. Lessons from the UK and South Africa show the importance of internal whistleblowing systems. Companies and public sector organizations in Nigeria should be required (perhaps via regulations or corporate governance codes) to establish internal reporting channels, such as confidential hotlines and whistleblowing policies, and to communicate these to employees. Leaders need to set the “tone at the top” that whistleblowing is welcome as a means to correct wrongs, not an act of disloyalty. To reinforce this, Nigeria could integrate whistleblower protections into its corporate governance framework (e.g., the SEC Nigeria’s Code of Corporate Governance could include provisions on whistleblowing). Additionally, providing whistleblowers with support services can reduce the risk of retaliation. For example, offering access to free legal advice, counseling services, or even interim financial assistance if they lose their job can make a huge difference. South Africa identified the lack of compensation for victimized whistleblowers as a gap; Nigeria should include some mechanism to assist whistleblowers whose livelihoods are threatened, perhaps through a fund or by allowing tribunals to award interim relief.

Ensure Follow-Up and Effective Action: A final lesson is that whistleblower reports must lead to credible action; otherwise, the system loses legitimacy. Part of enhancing governance is not just encouraging whistleblowers to speak, but ensuring their voices result in investigations and reforms. The U.S. SEC’s program, for instance, regularly communicates to whistleblowers about

the status of their tips and has a strong record of enforcement actions resulting from tips. Nigeria's agencies should similarly commit to responding to whistleblower disclosures swiftly (e.g., by opening inquiries or audits) and, where warranted, prosecuting wrongdoers. This creates a virtuous cycle: successful outcomes based on whistleblower information will build public confidence in the framework, prompting more whistleblowers to come forward. It also signals to organizations that complaints won't disappear into a void – increasing the internal pressure to address issues proactively.

In conclusion, Nigeria stands to gain significantly by adopting international best practices on whistleblower protection. Strong confidentiality guarantees, legal immunities, anti-retaliation enforcement, incentives, and supportive institutions form an integrated approach that has proven effective in enhancing corporate governance and deterring retaliation. By tailoring these lessons to Nigeria's context and demonstrating the political will to protect those who speak out, Nigeria can improve transparency, accountability, and trust in both public institutions and private enterprises. Whistleblowers can be one of the most potent allies in the fight against corruption and corporate misconduct – but only if they are heard and shielded. Implementing these comparative insights will help ensure that in Nigeria, doing the right thing by reporting wrongdoing is met with justice and support, not reprisals.

Chapter Five

Summary

5.1. Summary of Findings

The essential role played by whistleblowing to enhance integrity, detect corrupt practices has been emphasized in the study. The whistleblower policy introduced in 2016 has not been able to achieve significant feat constrained by inadequate legal and institutional frameworks. This has

left whistleblowers vulnerable to offenders who seek retaliation either through job loss or physical threats. As result the policy has suffered serious comatose as individuals are being discouraged to come-forth with relevant information that has to do fraud and corruption perpetrated in their space. Lack of confidentiality and anonymity of the whistleblower has dealt a serious blow to the policy in Nigeria as there are no mechanism to guarantee anonymity of the whistleblower.

The legal framework of whistleblowing policy in Nigeria was also investigated. Though financial rewards were introduced to encourage whistleblowing the framework is short coming in introducing effective mechanism that would deter retaliation and victimization of the whistleblower by those in the top hierarchy attached to the accused. This has left the whistleblower at the mercy and caprices of the exposed individuals who seek every means possible to bring the whistleblower down. The legislative organ of government in Nigeria saddled with the task of enacting protective laws and measures to safeguard the security of the whistleblower both from personal threats and job loss, have continued to struggle with enacting comprehensive and enforceable laws needed to actually make retaliation impossible.

The socio-cultural twist to the effective implementation of whistleblowing policy in Nigeria also become the focal point of the study. Ingrained with a culture of salience knitted either from personal attachment, sentiments or from fear of the superior order of the society; the culture of salience became prevalent especially when it has to do with the rich and the poor where the rich who finds it quit easy to get away with injustice involving the societal and organizational privileged to the less privileged of the social strata. Aside from the culture of inherent salient, lack of awareness and trust of the whistleblowing framework to protect individuals also undermines the effectiveness of the policy.

Challenges faced by the whistleblowing policy in Nigeria also came under discussion. In most of the countries compared in the study, it was revealed that the policy is embedded in legal frameworks, with protection and support for whistleblower. These societies have created an environment for strong legal protections, trusted reporting channels and better enforcement channels showing a pathway for Nigeria to draw lessons from particularly in ensuring that whistleblowers are protected from retaliation. In sum, the study argues for a comprehensive legal frameworks backing whistleblowing policies.

5.2. Conclusion

The study examined whistleblowing as a concept for enhancing corporate governance in Nigeria was examined by the study. Theoretical foundations, legal frameworks, and socio-cultural challenges that are instrumental to the effectiveness of whistleblowing practices were analysed. The study established, through a systematic review approach, that while whistleblowing has the potential to promote transparency, accountability, and ethical behavior, it in Nigeria is significantly hindered by a range of systemic issues.

As revealed in the study, unethical practices, corruption, and fraud, are the bane of corporate governance in Nigeria with whistleblowing offering a critical mechanism to address these challenges. However, despite the introduction of the 2016 Whistleblower Policy, the legal and institutional protections for whistleblowers remain fragmented, making the system prone to abuse and retaliation. In Nigeria, one of the most significant deterrents to whistleblowing, undermining its potential effectiveness as a governance tool is fear of retaliation—whether in the form of job loss, harassment, or legal action. This highlights the urgent need for a comprehensive, cohesive legal framework that ensures robust protection for whistleblowers, enabling them to report misconduct without fear of reprisal.

In addition, socio-cultural obstacles was also identified barrier to the success of whistleblowing in Nigeria. The problem is exacerbated by a culture of silence, loyalty, and complicity. Also complicating the issue is the inherent danger in lack awareness regarding among the public. In organization, mistrust among the employees in the integrity of reporting systems leads to underreporting and perpetuates unethical conduct. As such, it is essential for organization to creat a more informed and transparent organizational culture that fosters trust and encourages individuals to report wrongdoing without fear of social or professional consequences.

A comparative analyses and lessons from more developed jurisdictions, such as the US and the EU were provided. Anti-retaliation measures in these regions helped promote ethical business practices and preventing corporate malfeasance. The pillar of this reforms are a enhanced legal framework, public awareness campaigns, and the creation of an environment of openness and support. This includes implementing clear whistleblowing policies. to achieve this, leadership commitment to transparency and ethical governance, as well as the development of an organizational climate that rewards ethical behavior and encourages employees to speak out against corruption and fraud is essential.

In conclusion, this research highlights the crucial role that whistleblowing can play in strengthening corporate governance in Nigeria. The research revealed that a more effective whistleblowing system will contribute to the fight against corruption, promote ethical business practices, and ensure the long-term sustainability.

5.3 Recommendations

The need for enhancing the effectiveness of whistleblowing as a corporate governance tool in Nigeria was underscored by the study. Based on the findings, several key recommendations are made to address the existing challenges and improve the overall impact of whistleblowing

systems. These recommendations focus on strengthening legal protections, creating accessible reporting systems, fostering a culture of trust and accountability, and improving enforcement and organizational culture.

Firstly, one of the most pressing issues identified is the inadequate legal protection for whistleblowers. The Nigerian government must prioritize strengthening legal frameworks by expediting the passage of the Whistleblower Protection Bill. This bill should provide comprehensive safeguards, such as protection from retaliation, job loss, harassment, and legal consequences for whistleblowers who report misconduct in good faith. Moreover, whistleblowers' identities should be protected, and they should be given immunity from defamation or any legal repercussions. Aligning Nigeria's whistleblower protection laws with international standards, such as the United Nations Convention against Corruption (UNCAC), will ensure better protection for whistleblowers and improve the credibility of the system.

In addition to legal reforms, establishing robust and accessible whistleblowing systems is crucial. The Nigerian government and private sector organizations should develop secure and confidential reporting platforms that ensure anonymity and protect whistleblowers from any form of retaliation. It is essential to implement training programs for employees, educating them about available reporting channels and the importance of reporting unethical behavior. Furthermore, organizations should ensure that whistleblower reports are handled with urgency, confidentiality, and seriousness, creating a sense of trust and security among potential whistleblowers.

To further enhance the effectiveness of whistleblowing, it is essential to improve enforcement mechanisms. Regulatory bodies such as the Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices and Other Related Offences Commission (ICPC), and

Securities and Exchange Commission (SEC) must be empowered to take swift action on whistleblower reports. These agencies should be equipped with the resources and authority to investigate and prosecute cases of corruption and corporate misconduct. Additionally, whistleblowers should be given timely feedback on the outcome of their reports, which will not only encourage further participation but also strengthen accountability within the system.

Finally, Nigeria should look to international best practices for guidance in strengthening its whistleblowing framework. Comparative studies of successful whistleblowing systems in countries such as the United States, United Kingdom, and European Union can provide valuable insights into how Nigeria can enhance its legal protections, reporting mechanisms, and enforcement strategies. Learning from these jurisdictions, Nigeria can adapt global standards to fit its unique legal, cultural, and organizational context, improving the overall effectiveness of whistleblowing as a corporate governance tool.

5.4 Suggestions for Further Research

While this study has provided valuable insights into the role of whistleblowing as a corporate governance tool in Nigeria, several areas remain underexplored, offering opportunities for further research. The following suggestions highlight key areas where additional studies could build on the findings of this research and deepen the understanding of whistleblowing.

Future research could explore the direct and indirect effects of whistleblowing on organizational performance, particularly in Nigerian firms. While whistleblowing is often associated with improving transparency and accountability, more studies are needed to examine how it affects organizational efficiency, employee morale, and overall productivity. Investigating whether organizations with strong whistleblowing systems experience better financial outcomes,

enhanced public trust, or reduced corruption-related losses could provide empirical evidence of the long-term benefits of whistleblowing as a governance tool.

This study primarily focused on corporate governance and whistleblowing in general. However, there is a need for sector-specific studies, particularly in high-risk sectors like banking, oil and gas, and public service. Further research could compare the effectiveness of whistleblowing mechanisms across different sectors and evaluate how sector-specific challenges—such as industry regulations, organizational culture, and the level of corruption—affect the success of whistleblowing systems. This could offer more targeted insights for improving whistleblowing in these high-risk industries.

Much of the research on whistleblowing has focused on large corporations and public sector institutions. There is a need for research that examines the role of whistleblowing in small and medium-sized enterprises (SMEs) in Nigeria. SMEs often face unique governance challenges, including limited resources and informal structures, which could affect the implementation and effectiveness of whistleblowing systems. Research in this area could explore how SMEs can develop effective whistleblowing policies, the specific challenges they face in managing reports, and the potential benefits of incorporating whistleblowing as part of their corporate governance strategies.

A longitudinal study could be conducted to examine the relationship between corporate culture and the effectiveness of whistleblowing systems over time. Such research would track changes in organizational culture, leadership, and ethical standards in response to the introduction of whistleblowing mechanisms. This would provide valuable insights into how whistleblowing systems influence cultural transformation within organizations and whether these changes lead to sustained improvements in corporate governance practices.

5.5 Contributions to Knowledge

One of the primary contributions of this study is its in-depth exploration of the concept of whistleblowing within the unique Nigerian context. While whistleblowing has been studied in various global contexts, this research highlights the specific challenges faced by whistleblowers in Nigeria, particularly the lack of legal protection, fear of retaliation, and the cultural stigma attached to reporting misconduct. By focusing on Nigeria, the study adds to the growing body of knowledge on whistleblowing in developing countries, offering a nuanced understanding of the barriers and enablers of effective whistleblowing systems in contexts characterized by political instability, corruption, and a lack of trust in institutions.

This research contributes to the theoretical development of whistleblowing by integrating Agency Theory and Stakeholder Theory. The study uses these frameworks to demonstrate how whistleblowing helps to mitigate the principal-agent problem by increasing transparency and reducing information asymmetry between agents (management) and principals (shareholders). Additionally, it highlights how whistleblowing aligns with Stakeholder Theory, where the interests of various stakeholders—including employees, customers, and society—are protected by exposing unethical practices within organizations. This theoretical integration provides a more comprehensive understanding of how whistleblowing serves both as an ethical safeguard and a strategic governance tool.

Another key contribution of this study is its identification and analysis of the systemic barriers that hinder the effectiveness of whistleblowing in Nigeria. The study identifies specific challenges, such as the fragmented legal framework, lack of whistleblower protection, and the culture of silence and loyalty within organizations. These insights add depth to the existing literature by providing a detailed account of how these barriers prevent whistleblowers from

coming forward, thus exacerbating issues of corruption and unethical practices in Nigerian organizations. The study further argues that addressing these barriers is critical to unlocking the full potential of whistleblowing as a corporate governance tool.

This study provides a critical evaluation of Nigeria's legal and institutional framework for whistleblowing, particularly in light of the Whistleblower Policy (2016) and the Whistleblower Protection Bill (2019). By analyzing the strengths and weaknesses of these frameworks, the research contributes to the understanding of how legal protections can influence the success of whistleblowing systems. It highlights the gaps in the current legislation and makes recommendations for improving the legal safeguards available to whistleblowers. These insights are essential for policymakers, legal practitioners, and corporate regulators seeking to strengthen Nigeria's legal framework for corporate governance and anti-corruption efforts.

The study draws on international whistleblowing practices to offer comparative insights into how Nigeria can improve its whistleblowing systems. By examining the successes and challenges faced by whistleblowing systems in more developed jurisdictions such as the US and the EU, the research provides a global perspective on how effective whistleblowing mechanisms can be institutionalized within the Nigerian context. These comparative lessons contribute to a broader understanding of how international standards and practices can be adapted to suit local governance and legal structures.

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