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Title: The Relationship between Organizational Identification and Whistleblowing: Moderating Roles of Perceived Ethical Climate & Proactive Personality

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The Relationship between Organizational Identification and Whistleblowing: Moderating Roles of Perceived and Ethical Climate & Proactive Personality

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Abstract

Organizational whistleblowing is a preventive tool to reduce the risks of malpractice and irregularities. If a firm finds out about irregularities early, it could save from a bigger loss. Given its importance, the study has extended the Theory of Planned Behavior to examine the impact of organizational identification and empowerment on whistleblowing behavior. The study also examines the moderating roles of ethical climate and proactive personality on whistleblowing behavior. The study focused on the leading banks of Pakistan and collected responses from 427 employees non-randomly. We found that organization identification and empowerment significantly affect whistleblowing behavior. Our results suggest that ethical climate moderates organization Identification and whistleblowing behavior. However, contrary to past studies, our study did not support the moderating effect of proactive personality on organization identification and whistleblowing behavior.

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Introduction

Corporate fraud, misconduct, and non-compliance with internal rules and regulations are common worldwide (Orth & Maçada, 2021). Pakistan, one of the countries with very little control over corporate corruption, suffers from a lot of policy misconduct in many organizations. Like other developed and developing countries, Pakistan also has suffered from many misconducts and corporate fraud or simply negligence of one employee resulting in a troublesome outcome (Rashid, Khan, Riaz, & Burton, 2022). Whistleblowing is a phenomenon that can reduce these misconducts and violations. The New York branch of one of the largest Pakistani banks, Habib Bank Ltd, was put to the test and eventually had to close due to oversights in their finances. In a developing country, whistleblowing plays a vital role in the success and growth of the economy. Businesses' compliance with policies and procedures is a precursor to foreign investments (Orth & Maçada, 2021).

Whistleblowing is a gesture that a referee usually makes in sports such as football or soccer. The logic behind blowing this whistle is to stop any wrongful acts of the players or a team (Anderson, 2022). It is necessary for fair play and to ensure everybody obey the rules and regulations of the game. Similarly, in the corporate world, when an employee or an external reports non-compliance with policies or fraud, it refers to as "Whistleblowing" (Oelrich & Erlebach, 2021).

Whistleblowing exposes an employee's illegal or unethical practices to the management or any other concerned department with authority to take action against it (Anderson, 2022). Internal reporting channels significantly reduce malpractices and promote an organization's smooth operation. However, most employees are reluctant to report malpractices in organizations. Some believe it is not their responsibility, while others fear retaliation from the offenders (Al-Mamun, Rashid, Roudaki, & Yasser, 2022).

Background of the Study

Whistle-blowing began receiving limelight, especially in the Western world, when large organizations such as WorldCom, one of the largest American telecommunication firms, and Enron, one of the largest energy producers established in America, suffered bankruptcy due to not having a strong reporting system (Mirdan, Aeshah, & Al-Obaidi, 2021). Extant literature report that employees' anonymous complaints and tips initiate the investigation process. Subsequently, internal control and auditors provide documentary evidence of the malpractices. According to an estimate, the share of

anonymous complaints is about 46% (Slamkov, Stamevski, & Stamevska, 2021).

Eliminating malpractices and establishing maximum control is one of the major concerns of every organization. Organizations try their best to take the necessary and appropriate action against the wrongdoers and encourage whistleblowers to play an active role in the organization. Because of these whistleblowers, an organization can detect any fraud that maybe be happening within an organization (Kampourakis, 2021). In the past, the corporate world went through a period of huge financial fraud, which shook businesses to their knees, cost them millions of dollars, and collapsed their various investment portfolios (Yang, Zhou, Gao, & Zhang, 2022).

Internal and external auditors and whistleblowers play a significant role in exposing fraud and malpractices in an organization. Many researchers have focused on identifying the traits and characteristics of the people responsible for reporting malpractices. It includes personality traits such as self-efficacy and demographic factors (Monteith et al., 2021; Kemp, 2022). Other studies have also indicated that a strong and rigid organizational culture influences employees to blow the whistle whenever they witness something unethical within the organization. Employees in such a culture own the organization and feel it is their moral obligation to report malpractices (Tripermata, Syamsurijal, Wahyudi, & Fuadah, 2022).

Pakistan has witnessed corporate scandals such as Axact and Panama leaks which proved Pakistan's poor government reporting system (Geldenhuys, 2021). Moreover, the Corruption Perception Index highlighted that out of 169 countries, Pakistan stands at the 124th position regarding how much control it had over corruption in 2020. Apart from that, World Economic Forum reported that the biggest challenge and problems that Pakistan's businesses face are corruption and fraud (Rashid, Khan, Riaz, & Burton, 2022).

The main purpose of this study is to understand how organizational identification triggers whistleblowing intentions internally. And the moderating roles of "organizational identification and perceived ethical climate" on internal whistleblowing.

Literature Review and Theoretical Framework

Various studies worldwide have examined the impact of whistleblowing in different domains (Onyango, 2021). Multiple studies mostly focused on the 'intention' of the whistleblower. Rustiarini and Merawati (2021) stated that employees or workers blow the whistle if they believe the crime is serious, and management may not take any adverse action against them. However, few studies have examined the kind of emotion and

responsibility employees feel that immediately motivates them to report malpractices (Geng, 2021). Planned behavior is an important aspect that explains how individuals from different regions and cultures react to organizational policy and procedures violations (Lee, Kang, & Kim, 2021).

Lee, Kang, and Kim (2021) assert that planned behavior is how people respond to certain behavior, shape their subjective norms, and perceive behavioral control. These factors help define any individual's planned behavior in different regions. For instance, people living in western society have a different mindset and culture, so they are generally more concerned about the organization's well-being. At the same time, people in collectivist societies are more likely to take a stand and blow the whistle when they see procedural violations (Lee, Kang, & Kim, 2021). Many studies have examined the factors influencing employees' behavior in reporting fraud (Van-Portfliet, Irfan, & Kenny, 2022). However, these studies have not used moderators on the impact of whistleblowing attitudes. An employee's reaction varies from one condition to another. Therefore, the results in past studies have remained inconclusive.

According to Ebaid (2022), whistleblowers' are not sure where to report malpractices. In Pakistan, most firms have limited numbers of internal and external authorities for reporting misconduct. If a whistleblower reports to the concerned authorities, they will look into the reported issue and report to the higher management. As far as external bodies are concerned, Pakistan has one body i.e. National Accountability Bureau (NAB), to whom an employee can reach anonymously. Pakistan's challenge is bringing a significant improvement in the system that caters to this problem. Subsequently increased number of go-to-external bodies has become a necessary step.

Khan et al. (2022) highlight that there have been numerous cases of whistleblowing by internal workers in organizations, but most of the time, firms did not pursue it further, and the whistleblower had to face retaliation from the concerned and management. Many studies assert that organizations must promote an ethical culture as such culture motivates employees to identify and report malpractices to the management (Martínez, Skeet, & Sasia, 2021). In the past, nations and firms suffered due to a lack of ethical and corporate values (Ullah et al., 2022).

The Model for Corporate Ethical Virtues (CEVM) provides multiple dimensions to appreciate and appraise the whistleblowers and incorporate a culture of increased responsibility in the employees (Nurul & Herliansyah, 2021). Potipiroon and Wongpreedee (2021) discuss how significant it is to encourage and promote whistleblower compared to the notion of whistleblowing itself. Attached to whistleblowing is a general perception that the raised issue will not get the deserved justice and will go unheard, or

the channels available for whistleblowing is not very well defined. This perception may lead to adverse outcomes.

Hamilah, Suratman and Alam (2022) assert that whistleblowing is an important tool to eradicate dishonest and duplicitous happenings and avoid terrorist financing or money laundering in organizations. A country has thousands of organizations, but its government can't monitor each organization as it lacks internal procedures' knowledge, resources, and professionals. Also, thoroughly monitoring all the organizations is neither feasible nor advisable. Qodri, Gamayuni, and Sudrajat (2019) assert firms must develop easy-to-follow and effective whistleblowing procedures to encourage employees to report malpractices in an organization.

The Theory of Planned Behavior

Planned behavior consists of "individuals' attitudes, subjective norms, and behavioral perceptions." According to the Theory of Planned Behavior, individuals can only fulfill their intentions if they have control over their behavior (Ajzen, 1991). Whistleblowers have controlled over their behaviors and they are not afraid of possible repercussions. Culture, peers, and friends influence employees' whistles-blowing attitudes and behavior (Wan-Mahmood et al., 2022).

The first factor in this theory is the attitude, which refers to an individual's perception of people, events, and institutions. This perception or attitude could be positive or negative depending on experience. A positive attitude promotes positive intention, leading to behavior (Ajzen, 1991). The second factor related to this theory is subjective norms. Culture, friends, and families are part of subjective norms, influencing attitudes and behaviors (Noor, Yaacob, & Omar, 2021). The third factor associated with the theory is perceived behavioral control, an individual monitoring mechanism. It helps individuals decide whether to engage in a behavior or not (Wan-Mahmood et al., 2022).

Conceptual Framework

Based on the above theoretical grounding, we propose a conceptual framework in Figure 1. Subsequent sections contain theoretical support for the articulated hypotheses.
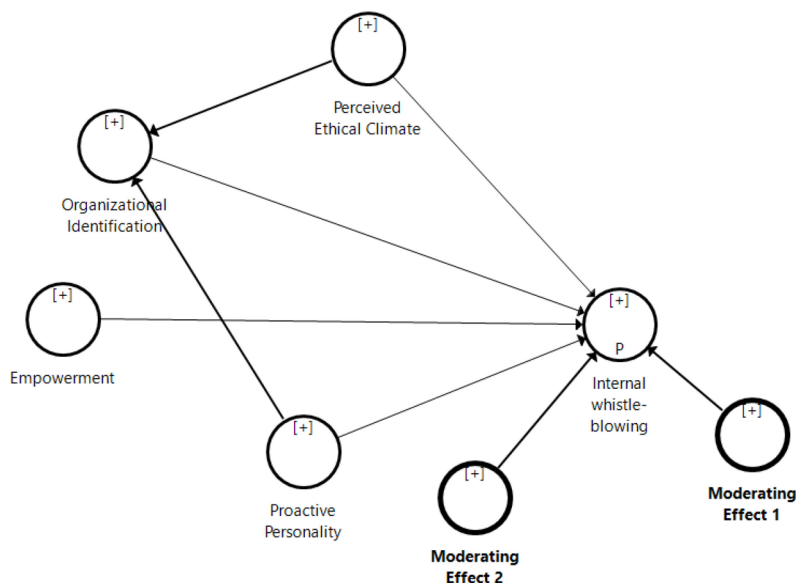
Figure 1: Conceptual Framework

Organizational Identification and Internal Whistleblowing

Regarding the Theory of Planned Behavior, attitude is considered a vital element that pushes a person to initiate a certain behavior. Thus, employees who strongly identify with their organization tend to have a positive attitude toward whistleblowing (Lee, Kang, & Kim, 2021). Organizational identification refers to employees' cognitive or emotional attachment to their organizations (Riketta, 2005). Consequently, it leads to motivation and loyalty to an organization. Ebaid (2022) asserts that senior managers often ignore unethical behavior to avoid retaliation and unpleasantries in the organization. May, Hao, and Carter (2021) believe that employees with high social identification would blow the whistle irrespective of the management behavior and attitude towards whistleblowing.

Individuals' identification with a group enhances the collective self-esteem that motivates them to think positively (Shah, Cheema, Al-Ghazali, Ali, & Rafiq, 2021). Such individuals reject behaviors and experiences that are contrary to their self-esteem. Low collective self-esteem means low reporting of malpractices. Malpractices adversely affect a firm reputation and weaken the collective self-esteem of the employees. On the contrary, if the malpractice cannot weaken the collective self-esteem, the incidences of whistleblowing would increase profoundly. Shah et al. (2021) assert organizational identification links with employees' cognitive, and emotional self-concepts leading to

organizational loyalty and whistleblowing.

Based on empirical results, many studies concluded that organizational motivation promotes proactive behavior in the employees, including voice, taking charge and internal whistleblowing. Given the above discussions, we argue that organizational identification should promote whistleblowing.

H1: Organizational identification stimulates internal whisteblowing.

Empowerment and Whistleblowing

Whistleblowing is a process that aligns with power and change (Mkheimer et al., 2022). Reporting observed malpractices help in reducing them in an organization. The whistleblowers often apprehend whether the concerned would listen to them, whether the management would listen, and whether such reporting would make a difference (du-Plessis, 2022).

Srivastava and Gupta (2022) assert that senior managers are more inclined to report organizational wrongdoing than first-level managers. At the same time, employees in the lower hierarchy believe that they are powerless. They have a perception that their reporting may not effectuate a change. Thus to motivate such employees, the organization must empower them. Researchers assert that employee empowerment is essential for achieving the vision and strategic goals. Empowerment is the delegation of authority to employees. It also enables employees to make decisions (Park & Jeon, 2022). Empowered employees report wrongdoing since they are loyal to the organization and believe reporting malpractices would make a difference. A conducive environment in an organization enables employees to take action, specifically in reporting organizational malpractices (Srivastava & Gupta, 2022). When employees feel that others threaten their ideas or standards, they instinctively protect them. For example, a product manager taking ownership of their product line would not cut corners to increase the profit margin but would voice against such advice (Abazi, 2021). A culture of empowerment allows employees to adopt a workable approach to achieve their performance goals without compromising on ethical values. Many studies have documented that employee empowerment promotes whistleblowing attitudes. When employees feel that the management trusts them, they will take ownership of the organization and raise their voices against organizational wrongdoings (Du-Plessis, 2022).

Empowerment gives pride to the employees. Extant literature suggests that firms that do not value employees do not tolerate employees' dissent. Employees in such

a culture remain silent on the organizational malpractices. Consequently, they would report the malpractices in the external bodies of a firm rather than the internal bodies (Tripermata, Syamsurijal, Wahyudi, & Fuadah, 2022).

H2: Empowerment positively affects internal whisteblowing.

The Moderating Role of Perceived Ethical Climate

According to the Theory of Planned Behavior, subjective norms influence individuals' attitudes and behaviors. Subjective norms include culture, friends, families, and peers. In the context of this research, we argue norms and coworkers at the workplace influence attitudes and behaviors (Noor, Yaacob, & Omar, 2021). Perceived ethical climate means employees' perception of an organization's ethical environment. Ethical climate includes whether organizations encourage and reward employees for being ethical or whistleblowers (du Plessis, 2022; Noor, Yaacob, & Omar, 2021). Past studies have documented individuals' perceptions about the organizations that govern their whistleblowing behavior (Lauren, Smith, Louis, & Dean, 2019).

Many past studies have documented that the ethical climate of an organization stimulates ethical behavior (Webster & Litchka, 2020; Lauren, Smith, Louis, & Dean, 2019). Employees will have a favorable attitude towards ethical climate if they feel that the management or the organization encourages them to complain or blow whistles and is genuinely concerned about them. In contrast, in a weak ethical climate management encourages unethical decision-making. However, it may have selfish reasons to fulfill their self-interests (Webster & Litchka, 2020).

Many researchers assert that ethical climate is not a separate variable but a bundle that aligns with an organization's normative characteristics and values (Cheung & To, 2021). A strong ethical climate suggests that firms are concerned about the well-being of employees while pursuing organizational goals and vision. Such an organization emphasizes moral values and codes of conduct while making ethical decisions (Wang et al., 2022).

Extant literature suggests that a highly ethical climate has a varying effect on highly identified employees and whistleblowing. Employees with high ethical values believe wrongdoing occurs due to management unawareness. Consequently, employees believe that the management will appreciate and welcome them if employees bring them to their attention (Gamarra & Girotto, 2022). Also, employees working in organizations with an ethical climate are confident that their co-workers will support and provide documents on their reported wrongdoing (Rajabdorri, 2020). At the same

time, the moral judgment of the employees is adversely affected in an organization with a weaker ethical climate. Organizations with a weak ethical climate sometimes encourage employees to engage in commercial bribery and cheat customers for short-term goals (Li, Li, Chen, & Crant, 2022). A weaker ethical climate may reduce the tendency of whistleblowing and vice versa (Basharat & Saher, 2022).

H3: Perceived ethical climate moderates organizational identification and internal whisteblowing.

The Moderating Role of Proactive Personality

The Theory of Planned Behavior assumes that individuals engage in behavior based on their judgments and attitudes. If they believe the behavior is difficult, individuals will not perform it. At the same time, if individuals believe they can perform that behavior easily, they will perform it (Lestari, Kusum, & Marlim, 2021).

A proactive personality is a behavioral approach that allows individuals to change their environment (Johari et al., 2022). Individuals with proactive personalities tend to take up initiatives, seek the opportunities that come their way, and bring about changes (Kayani, Ali, & Idrees, 2022). Based on empirical research, many researchers found strong links between proactive personality traits and whistleblowing intentions (Verschuuren, 2020). Xu, Qin, Dust, and DiRenzo (2019) highlighted that many whistleblowers had more proactive personality traits than those who lacked proactive personality traits. Kayani, Ali, and Idrees (2022) assert that employees with proactive personality traits enjoy challenges and are confident to blow whistles to stop any wrongdoing they see in an organization.

Extant literature documents that different traits of proactive personality affect whistleblowing behavior. For instance, voice behavior is similar to whistleblowing. Individuals with a high voice behavior speak against the status quo to improve the working conditions of an organization. Such employees are willing to take personal risks and are not afraid of facing retaliation from the management (Li, Li, Chen, & Crant, 2022). Kayani, Ali and Idrees (2022) assert that individuals believe they can stop wrongdoing by reporting to the concerned. They are confident that the supervisor and upper management would also support them in reporting organizational malpractices (Verschuuren, 2020). A proactive person often has strong problem-solving skills and interpersonal skills, which are important for reporting malpractices in an organization.

H4: Proactive personality moderates organizational identification and internal whistleblowing.

Research Methodology

Research Design

The study has developed a new model based on the theory, which we empirically tested by collecting the data from the target population through a "self-administered questionnaire". The study has adapted the questionnaire with established reliability. However, we have re-examined its reliability and validity based on the data collected from the target population.

Population and Sample Size

A research population is pre-determined individuals with similar characteristics. The study's target population is Pakistan's private banking sector. In Pakistan, there are 31 banks, including five public sector banks, 18 private local banks, and four foreign banks. The study focused on Pakistan's leading banks, Meezan Bank, United Bank Limited, Habib Bank Limited, and Bank Alfalah. For a large population, researchers suggest drawing an appropriate sample size (Srivastav & Vaidya, 2021). Since the target population's sample frame was unavailable, we used non-probability sampling. The study calculated the minimum sample size of 384 "based on a 5% margin of error". However, we collected a larger sample. The researchers personally visited the target banks, and after taking permission from the management, distributed 455 questionnaires and received 427. The response rate for the study was 94%, which is appropriate for a large-scale study like ours. To achieve a higher response rate, follow-up with the respondents is necessary. Therefore we contacted them through mobile, email, and personal visits.

Pilot Test

Since a survey of more than 400 is expensive, we assessed the constructs' reliability based on a sample of 70. And we found the internal consistency of all the constructs ranged from 0.780 to 0.809.

Scale and Measures

We have divided the questionnaire into two sections. One relates to demographic, and the other to the constructs used in the study. The questionnaire for the main study has five constructs and 35 items. We measured the second part of the questionnaire using a five-point Likert Scale. Table 1 summarizes the constructs' relevant information.

Table 1: Construct Used in the Study

Constructs	Source	Reliability in past studies	Items
Organizational Identification	Mael and Ashforth (1992)	0.700-0760	6
Perceived Ethical Climate	Tsai and Huang (2008)	0.810-0.880	13

Proactive Personality	Bateman and Crant (1993)	0.770-0.833	6
Internal Whistleblowing	Park, Rehg and Lee (2005)	0.774-0.779	4
Empowerment	Motamarri et al. (2020)	0.734-0.805	6

Results and Findings

Respondents Profile

The study focused on Pakistan's banking sector, distributed 455 questionnaires, and received 427. Table 2 depicts the demographic profile of the respondents.

Table 2: Respondents' Profile

Demographic items	Frequency	Percentile
Gender		
Male	269	63.00%
Female	158	37.00%
Marital Status		
Single	250	58.55%
Married	177	41.45%
Age		
Below 25	43	10.07%
26 to 35	94	22.01%
36 to 45	140	32.79%
46 to 55	100	23.42%
More than 55 years	50	11.71%
Education		
Undergraduate	60	14.05%
Graduate	192	44.97%
Post Graduate	149	34.89%
Other	26	6.09%
Work experience		
Less than 1 year	103	24.12%
1-3 years	140	32.79%
4-6 years	80	18.74%
More than 6 years	104	24.35%
Salary range		
Less than Rs. 25,000	83	19.44%
Rs. 25,001-45,000	130	30.44%

Rs. 45,001-55,000	111	26.00%
Rs. 55,001-75,000	80	18.73%
More than Rs. 75,000	23	5.39%

The results show that 63% of respondents were male and 37% were females. Marital status shows that 58.55% of the respondents were single, and 41.45% were married. Age profile shows that 10.07% respondents are below 25 years, 22.01% in age bracket 26-35 years, 32.79% in the age bracket 36-45 years, and the rest are at least 46 years old. The education profile shows that 14.05% were undergraduates, 44.97% were graduates, 34.89% were postgraduates, and 6.09% had other qualifications. The work experience status shows that 24.12% of the respondents' experience was less than one year, 32.79% had an experience between 1 to 3 years, 18.74% had an experience between 4 to 6 years, and 24.35% had an experience of more than six years. In terms of the salary package, we found that 19.44% of the respondents' salaries were less than Rs. 25,000 per month, 30.44% of respondents' salaries ranged between Rs. 25,001 to Rs. 45,000, 26% of respondent's salaries were between Rs. 45,001 to Rs. 55,000, 18.73% respondents salaries were between Rs. 55,001 to 75,000, and the rest 5.39% respondents salaries were more than Rs.75,000.

Measurement Model

Using Smart PLS version 4, we have generated a measurement model for the results related to "reliability, convergent validity, and discriminant validity." Figure 2 depicts the measurement model followed by other related results.
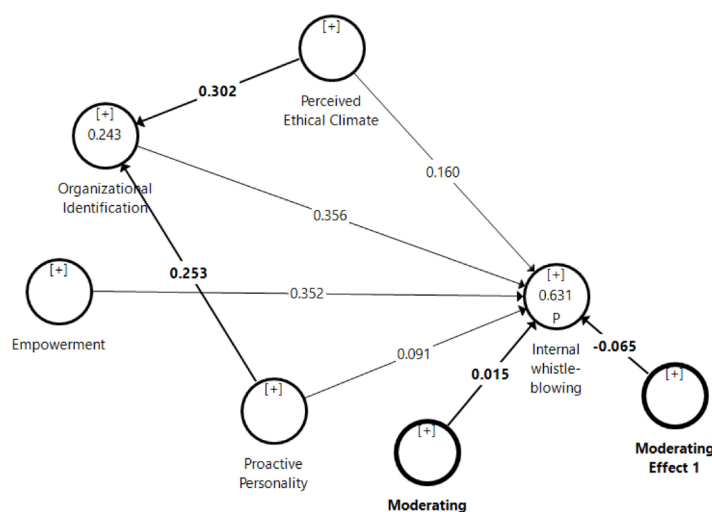

Figure 2: Measurement Model

Descriptive Statistics

The results in Table 3 show Cronbach's Alpha values, mean, standard deviation, Kurtosis, and Skewness which the study has used to assess the "internal consistency and univariate normality" of the constructs used in this research.

Table 3: Descriptive Analysis

	Cronbach's Alpha	Mean	Std. Dev	Skewness	Kurtosis
Empowerment	0.818	4.319	0.877	2.119	1.029
Internal Whistleblowing	0.837	4.090	0.885	-1.137	-1.899
Organizational Identification	0.803	3.456	0.910	-1.964	1.663
Perceived Ethical Climate	0.801	4.075	0.868	1.687	-1.248
Proactive Personality	0.904	4.348	0.933	2.165	1.873

The results show the "Skewness values ranged from 1.137 to 2.165." Proactive personality (Mean 4.348, SD=0.933, SK=2.165) has the highest, and internal whistleblowing (Mean 4.090, SD=0.885, SK=-1.137) has the lowest value. Conversely, we also found the lowest Kurtosis value is for empowerment (Mean 4.319, SD = 0.877, KR=1.029) and the highest for internal whistleblowing (Mean 4.090, SD=0.885, KR=-1.899). Results suggest that the constructs do not deviate from the requirements of univariate normality. We have used Cronbach's Alpha values to assess the constructs' internal consistency. The results suggest good internal consistency for the used constructs since all "Cronbach's alpha values are at least 0.80.

Convergent Validity

Convergent validity measures the theoretical association between the latent variables and respective indicators using "composite reliability and AVE." We have presented the results in Table 4.

Table 4: Convergent Validity

	rh_A	Composite Reliability	Average Variance Extracted (AVE)
Empowerment	0.836	0.877	0.641
Internal Whistleblowing	0.837	0.885	0.608
Organizational Identification	0.805	0.910	0.836
Perceived Ethical Climate	0.801	0.868	0.625
Proactive Personality	0.905	0.933	0.778

The results show that the proactive personality has the highest composite reliability (CR=0.933), and the perceived ethical climate (CR=0.868) has the lowest. We also found

that the lowest AVE value is for internal whistleblowing (AVE=0.608), and the highest is for organizational identification (AVE=0.836). Since "AVE values are greater than 0.600 and composite reliablity values are at least 0.700," we infer a theoretical association between "the constructs and their indicator variables."

Discriminant Validity

The "Uniqueness and distinctiveness" of the construct are necessary for non-distorted results. We have assessed discriminant validity using Fornell & Larcker's (1981) criteria and the Heterotrait and Monotrait Ratio presented in Tables 5 and 6, respectively.

Table 5: Discriminant Validity

	EMP	IWB	OI	PEC	PP
Empowerment	0.801				
Internal Whistleblowing	0.703	0.780			
Organizational Identification	0.505	0.641	0.914		
Perceived Ethical Climate	0.645	0.600	0.447	0.790	
Proactive Personality	0.705	0.594	0.426	0.574	0.882

The results show that organizational identification (0.914) has the highest AVE square root value, and the lowest is for internal whistleblowing (0.780). Since all "AVE square root values are higher than the Pearson Correlation values," we can safely assume that the latent variables based on the data set of the local banks are unique and distinct.

Discriminant Validity (Heterotrait and Monotrait Ratio)

Apart from Fornell and Larcker's (1981) criteria, the study has assessed discriminant validity based on Heterotrait and Monotrait Ratio, results are presented in Table 6.

Table 6: Discriminant Validity (Heterotrait and Monotrait Ratio)

	EM	IWB	OC	PEC	PP
Empowerment					
Internal Whistleblowing	0.812				
Organizational Identification	0.601	0.781			
Perceived Ethical Climate	0.775	0.702	0.546		
Proactive Personality	0.824	0.683	0.501	0.671	

The results suggest that HTMT values presented diagonally in Table 6 are below 0.90, and HTMT ratios are less than 1.00, suggesting the constructs used in the study do not have similarities (Henseler, Ringle, & Sarstedt, 2015).

Predictive Power

Smart PLS also gives predictive power to the measurement model compared to other software, which researchers have suggested assessing based on R square and Q square values. The study has summarized the results in Table 7. Since all "r-square values are greater than 0.20 and Q-square values are greater than zero," we have inferred that the measurement model used in the study has adequate predictive power.

Table 7: Predictive Power of the Model

	R Square Value		Q Square Value		
	R Square	R Square Adjusted	SSO	SSE	Q^2 (1 -SSE/SSO)
Internal whistleblowing_	0.631	0.63	5990	3744.153	0.375
Organizational identification_	0.243	0.242	2396	1912.581	0.202

Structural Model

Using Smart PLS, we have generated the structural model presented in Figure 3 for the hypotheses results.
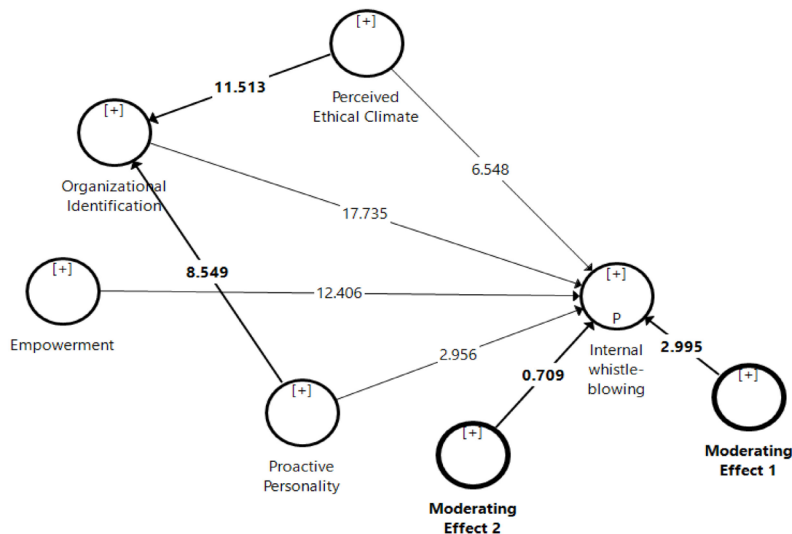

Figure 3: Structural Model

Hypothesis Results

The study has articulated two direct and two moderating relationships and presented the results in Table 8.

Table 8: Hypothesis Results

	β	T Stat	P Values	Results
Org. Ident. -> Inter W.Blowing (H1)	0.356	17.735	0.000	Accepted
Empower. -> Inter. W. Blowing (H2)	0.352	12.406	0.000	Accepted
Moderating Effect 1 -> Inter. Blowing (H3)	-0.065	2.995	0.001	Accepted
Moderating Effect 2 -> Inter. W. Blowing (H4)	0.015	0.709	0.239	Rejected

The study supports all hypotheses except hypothesis 4, which states proactive personality moderates organizational identification and whistleblowing. The results show that the most significant impact is on the association of "organization identification and internal whistleblowing (β= 0.356), followed by the association between "empowerment and whistleblowing (β= 0.352).

Discussion and Conclusion

Discussion

The study has articulated four hypotheses, which it tested based on the data collected from the employees of the local banks. The following sections discuss the results and "their relevance to the past literature."

Our results support the association between organizational identification and whistleblowing, which aligns with past literature. Many studies concluded that organizational motivation promotes proactive behavior in the employees, including voice and taking charge and internal whistleblowing (Shah, Cheema, Al-Ghazali, Ali, & Rafiq, 2021). Malpractices adversely affect a firm reputation and weaken the collective self-esteem of the employees. On the contrary, if the malpractice cannot weaken the collective self-esteem, the incidences of whistleblowing would reduce profoundly. Shah et al. (2021) assert organizational identification links with employees' cognitive, and emotional self-concepts leading to organizational loyalty and whistleblowing. Such individuals reject behaviors and experiences that are contrary to their self-esteem. Low collective self-esteem means low reporting of malpractices.

The study found empowerment encourages whistleblowing behavior. Empowerment gives pride to the employees. When employees feel that the management trusts them, they will take ownership of the organization and raise their voices against organizational

wrongdoing (Du-Plessis, 2022). Extant literature suggests a few firms do not tolerate employees' dissent. Employees in such a culture remain silent on the organizational malpractices. Consequently, they report the malpractices in the external bodies of a firm rather than internal bodies (Tripermata, Syamsurijal, Wahyudi, & Fuadah, 2022).

The study found that the ethical climate in an organization moderates organization identification and whistleblowing attitudes. This study's finding is consistent with past literature. In an organization with high ethical values, employees believe wrongdoing has occurred in an organization due to management unawareness. Consequently, employees believe that the management will appreciate and welcome them if employees bring them to their attention (Gamarra & Girotto, 2022). Also, employees working in organizations with an ethical climate are confident that their coworkers will support and provide documents on their reported wrongdoing (Rajabdorri, 2020). At the same time, the moral judgment of the employees is adversely affected in an organization with a weaker ethical climate. Organizations with a weak ethical climate sometimes encourage employees to engage in commercial bribery and cheat customers for short-term goals (Li, Li, Chen, & Crant, 2022). Extant literature suggests that a highly ethical climate has a varying effect on highly identified employees and whistleblowing. A weaker ethical climate may reduce the tendency of whistleblowing and vice versa (Basharat & Saher, 2022).

Our results suggest proactive personality does not moderate organization identification and whistleblowing behavior. This result is inconsistent with past studies. Extant literature documents that different traits of proactive personality affect whistleblowing behavior. For instance, voice behavior is similar to whistleblowing. Individuals with a high voice behavior speak against the status quo to improve the working conditions of an organization. Such employees are willing to take personal risks and are not afraid of facing retaliation from the management (Li, Li, Chen, & Crant, 2022). Ali and Idrees (2022) assert that individuals believe they can stop wrongdoing by reporting to the concerned. They are confident that the supervisor and upper management would also support them in reporting organizational malpractices (Verschuuren, 2020). A proactive person often has strong problem-solving skills and interpersonal skills, which are important for reporting malpractices in an organization

Conclusion

We assessed the effect of organizational identification and empowerment on employee whistleblowing behavior. It also examined the moderating effect of "ethical climate and proactive personality on whistleblowing behavior." The study collected data from the four leading banks of Pakistan. Based on 427 responses from the banks, we found

that organization identification and empowerment significantly affect whistleblowing behavior. Our results suggest that ethical climate moderates organization Identification and whistleblowing behavior. However, contrary to past studies, our study did not support the moderating effect of proactive personality on organization identification and whistleblowing behavior.

Implications

An ethical climate is essential for the "sustainability and growth of an organization." The firms need to follow policies and procedures and create an ethical climate. They must delegate persons to whom the employees can report wrongdoing. Employees with ethical values avoid malpractices. They have the courage and confidence to report misdoing in an organization. Such employees are not scared of retaliation. Employees with proactive personalities are confident and take the initiative in voicing wrongdoings. Firms must promote self-identification in the employees. Employees with high self-identification have a perception of owning the organization, due to which they are vigilant and observant of what's happening in an organization. Management must encourage whistleblowers and appreciate them. On the other hand, management must empower the employees and listen to their feedback and suggestions. Employees who believe their suggestions make a difference will be more participative in pointing out the wrongdoing.

Limitations and Future Research

Cultural aspects affect an organization. This study has focused on Pakistan's banking sector. We recommend other researchers use other cultural variables, such as individualism, collectivism, feminism, and masculism, and explore whistleblowing attitudes in other sectors and domains. We examined the moderating effect of ethical climate and proactive personality. The study focused on the antecedents of whistleblowing behavior. Exploring its consequences may bring more insight into the phenomenon. We advised future studies to examine their direct effect on whistleblowing behavior.

Annexure 1

Constructs and Items used in the Questionnaire

Organizational Identification

OI1. When someone criticizes my company, it feels like a personal insult.

OI2. I am very interested in what others think about our company.

OI3. When I talk about this company, I usually say "we" rather than "they".

OI4. This company's successes are my successes.

OI5. When someone praises this company, it feels like a personal compliment.

OI6. If a story in the media criticized the company, I would feel embarrassed.

Perceived Ethical

PEC1. The most important concern is the good of all the people in the company as a whole.

PEC2. What is best for everyone in the company is a major consideration here.

PEC3. Our major concern is always what is best for the other person.

PEC4. In this company, people are expected to follow their own personal and moral beliefs.

PEC5. In this company, people are guided by their own personal ethics.

PEC6. Each person in this company decides for themselves what is right and wrong.

PEC7. In this company, the law or ethical code of their profession is the major consideration.

PEC8. In this company, people are expected to strictly follow legal or professional standards.

PEC9. People are expected to comply with the law and professional standards over and above other considerations.

PEC10. Successful people in this company go by the book.

PEC11. People in this company strictly obey the company policies.

PEC12. People are expected to do anything to further the company's interests, regardless of the consequences.

PE13. There is no room for one's own personal morals or ethics in this company.

Proactive Personality

PP1. If I see something I don't like, I fix it.

PP2. No matter the odds, I will make it happen if I believe in something.

PP3. I love being a champion for my ideas, even against others' opposition.

PP 4. I excel at identifying opportunities.

PP 5. I am always looking for better ways to do things.

PP 6. If I believe in an idea, no obstacle will prevent me from making it happen.

Internal Whistleblowing

IWB1. I would report it to my immediate supervisor.

IWB2. I would report it to an upper level of management in the organization.

IWB3. I would use the official reporting channels inside the organization.

IWB4. I would report it by using internal procedures.

Empowerment

E1. Autonomy and authority to make decisions about customers' needs within defined boundaries.

E2. Feeling confident and empowered to handle the complex situation and exercise the right organizational power delegated to me.

E3. Having access to information about a company, market competition, and service portfolio to be able to manage customers' needs.

E4. Ability to interpret data apply business processes, and evaluate the outcome.

E5.The requisite tools and technologies to interact with customers, access information, execute the process and register interaction.

E6. Receiving ongoing training and developing capabilities to maintain skill set currency.

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