

WHISTLEBLOWING POLICIES AND FRAUD MANAGEMENT IN CORPORATE ORGANIZATIONS: A STUDY OF ZENITH BANK PLC.

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Abstract: This work analyzed the role of whistleblowing policies in fraud prevention and management, with a focus on Zenith Bank Plc. The objectives were to; examine the extent to which employees of Zenith Bank Plc. utilize whistleblowing policies in reporting fraudulent activities and identify factors influencing their willingness to report, identify organizational, cultural, and procedural challenges that affect the effectiveness of whistleblowing policies in fraud detection and management within Zenith Bank Plc and assess the impact of whistleblowing policies on reducing fraudulent activities and improving organizational transparency within Zenith Bank Plc. This study adopted the descriptive research design with a survey approach to gather primary quantitative data. The target population comprises employees at Zenith Bank PLC who are directly or indirectly involved in fraud prevention activities or who have experience with the bank's whistleblowing system. A sample size of 150 employees was targeted to ensure a representative mix of management and non-management staff. The structured questionnaire was the data collection tool. Descriptive Statistics was used to summarize data and provide an overview of respondents' perceptions. Regression analysis was used to test the hypotheses of the study. The results revealed that employees significantly utilize whistleblowing policies to report fraudulent activities, organizational, cultural, and procedural challenges significantly affect whistleblowing policy effectiveness within Zenith Bank Plc and that whistleblowing policies at Zenith Bank Plc. significantly impact fraud reduction and organizational transparency. In conclusion, employees are more likely to use whistleblowing when there is trust, clear procedures, managerial support, and confidentiality. However, fear of retaliation and bureaucratic complexity negatively affect utilization. It was recommended among other things that Zenith Bank Plc. should conduct regular training programs to educate employees on whistleblowing policies and ensure protection against retaliation. Establishing anonymous reporting channels and reinforcing confidentiality will encourage employees to report fraudulent activities without fear of victimization.

Keywords: Whistleblowing, Policies, Fraud, Prevention, Management

Introduction

1.1 Background of the Study

Corporate organizations operate in increasingly complex environments where ethical conduct, transparency, and accountability are critical to maintaining stakeholder trust and ensuring long-term sustainability (Adeyemi & Akinniyi, 2011). Fraud, a pervasive issue in the corporate world, poses significant risks to organizations, including financial losses, reputational damage, and legal consequences (ACFE, 2022). In response, organizations have adopted various strategies to combat fraud, with whistleblowing policies emerging as a key component of effective fraud management systems (Near & Miceli, 2016). Whistleblowing policies provide a formal mechanism for employees and other stakeholders to report unethical or illegal activities, such as fraud, without fear of retaliation. These policies are essential for fostering a culture of integrity and ensuring early detection of fraudulent activities (Miceli et al., 2008).

The importance of whistleblowing policies has been underscored by high-profile corporate scandals, such as those involving Enron, WorldCom, and more recently, Wirecard (Dyck et al., 2010; BBC, 2020). These cases have highlighted the critical role of whistleblowers in exposing corporate misconduct and the need for robust systems to protect them. Similar to these global incidents, Nigerian financial institutions have also experienced fraud-related crises, further reinforcing the need for robust whistleblowing frameworks. In Nigeria, the banking sector, which plays a pivotal role in the economy, has also faced its share of fraud-related challenges. Fraud in the banking sector not only undermines public confidence but also threatens the stability of the financial system (Okoye & Gbegi, 2013). Consequently, regulatory bodies, such as the Central Bank of Nigeria (CBN), have emphasized the need for strong corporate governance frameworks, including effective whistleblowing policies and fraud management systems (CBN, 2014).

Zenith Bank Plc., one of Nigeria's leading financial institutions, has consistently been recognized for its strong corporate governance practices and commitment to ethical conduct (Zenith Bank, 2022). However, like other organizations, it is not immune to the risks of fraud. The bank operates in a high-risk environment where fraud schemes, such as insider abuse, cyber fraud, and money laundering, are prevalent (EFCC, 2021). To address these risks, Zenith Bank has implemented various measures, including whistleblowing policies, to detect and prevent fraudulent activities. Despite these efforts, there is a need to critically assess the effectiveness of such policies in practice, especially considering Nigeria's unique cultural and regulatory environment (Okafor & Ani, 2018). While existing studies have explored whistleblowing policies broadly, there is limited empirical evidence on their effectiveness in the Nigerian banking sector, particularly in Zenith Bank Plc.

The study of whistleblowing policies and fraud management in Zenith Bank Plc. is particularly relevant given the bank's prominence in the Nigerian banking sector and its role as a benchmark for corporate governance. Understanding how Zenith Bank's whistleblowing policies function in practice, the extent to which employees utilize these mechanisms, the challenges faced in their implementation, and their impact on fraud management can provide valuable insights for other organizations seeking to strengthen their anti-fraud frameworks. Furthermore, the study contributes to the broader discourse on corporate governance and ethical practices in

Nigeria, where regulatory enforcement and cultural factors often influence the effectiveness of such policies (Adegbite, 2015).

This study is situated within the context of increasing global and local emphasis on corporate governance, ethical conduct, and fraud prevention. By examining the case of Zenith Bank Plc., the research seeks to shed light on the role of whistleblowing policies in fraud management, identify challenges, and propose recommendations for enhancing their effectiveness. This study will provide strategic insights for policymakers, financial institutions, and corporate entities, offering recommendations to strengthen fraud detection and whistleblowing mechanisms.

1.2 Objective of the study

The primary objective of this study is to analyze the role of whistleblowing policies in fraud prevention and management, with a focus on Zenith Bank Plc. as a representative corporate organization. Specific Objectives are:

1. To examine the extent to which employees of Zenith Bank Plc. utilize whistleblowing policies in reporting fraudulent activities and identify factors influencing their willingness to report.
2. To identify organizational, cultural, and procedural challenges that affect the effectiveness of whistleblowing policies in fraud detection and management within Zenith Bank Plc.
3. To assess the impact of whistleblowing policies on reducing fraudulent activities and improving organizational transparency within Zenith Bank Plc.

1.3 Research Questions

1. What organizational challenges affect the effectiveness of whistleblowing policies in fraud detection and management at Zenith Bank Plc.?
2. How do cultural factors impact the success of whistleblowing policies at Zenith Bank Plc.?
3. What procedural challenges hinder the effectiveness of whistleblowing policies in fraud detection and management at Zenith Bank Plc.?

1.4 Statement of hypothesis

Ho1: Employees of Zenith Bank Plc. do not significantly utilize whistleblowing policies in reporting fraudulent activities.

Ho2: Organizational, cultural, and procedural challenges do not significantly affect the effectiveness of whistleblowing policies in fraud detection and management within Zenith Bank Plc

Ho3: Whistleblowing policies at Zenith Bank Plc. do not have a significant impact on reducing fraudulent activities or improving organizational transparency.

Review of Related literature

2.1 Conceptual Review

2.1.1 Whistleblowing

Whistleblowing is the act of reporting unethical, illegal, or fraudulent activities within an organization. According to Near and Miceli (1996), whistleblowing occurs when an employee discloses misconduct that threatens public

interest. In the banking sector, whistleblowing plays a crucial role in uncovering financial misstatements, insider trading, and other fraudulent practices (ACFE, 2022).

There is no consensus definition of whistleblowing (Brennan & Kelly, 2007). One consistent element that scholars agree on is that whistleblowing is an act to account, report as well as expose wrongdoings. The whistle-blowing term has been differently defined and debated in the available literature. The substantial disagreement, as well as arguments, surround which channels (external vs. internal whistleblowing) to report and whether auditors (external or internal), should be countered as whistleblowers

The term "whistleblowing" is thought to have its root in two different but related activities. First, the term follows from the practice of the police who blow whistles when attempting to apprehend a suspected criminal. Secondly, it is thought to follow from the practice of referees during sporting events that blow their whistle to stop an action. It can be deduced from the above that whistleblowing involves the disclosure of illegal, immoral or illegitimate practices with the aim that wrongdoing will be minimized if not tackled.

2.1.2. Types of Whistleblowing

There are two types of whistleblowing: internal and external whistleblowing.

Internal whistleblowing encompasses the disclosure of wrongdoing to a supervisor within the organisation; External whistleblowing is reporting unethical activities to outside parties believed to have the power to correct it. It, therefore, presupposes that the motivation towards internal whistleblowing is dependent upon the existence of effective internal channels of complaint in the organisations. Nevertheless, internal reporting should be first resorted to before going outside the walls of an organisation. Internal whistleblowing, if successfully carried out, is capable of concealing the ugly state of the organisation to the society. Whistleblowing may also be public or private. It is public when the disclosure relates to a public company and private when the disclosure has to do with a private company or an individual. In all these, the jurisprudence behind the disclosure is the protection of public interest. Moses D. B Nimchak N. E (2023)

2.1.3 Motivation for Whistleblowing

Several factors influence employees' willingness to report fraud. These include:

Ethical Responsibility: Employees with strong ethical values are more likely to report misconduct (Cheng et al., 2015).

Legal Protections: The presence of whistleblower protection laws encourages disclosure by reducing fear of retaliation (OECD, 2020).

Financial Incentives: Some organizations and regulatory agencies provide financial rewards to whistleblowers (ACFE, 2022).

Organizational Culture: A transparent corporate culture fosters a sense of security for whistleblowers (Bowen et al., 2021).

2.1.4 Challenges of Whistleblowing in the Nigerian Banking Sector

Despite the existence of whistleblowing policies, employees often hesitate to report fraud due to:

Fear of Retaliation: Lack of adequate job protection discourages whistleblowers.

Weak Enforcement of Laws: Regulatory bodies struggle to implement whistleblower protection effectively.

Cultural Barriers: Some employees perceive whistleblowing as betrayal rather than ethical duty (Okafor & Adebayo, 2021).

Importance of Whistleblowing Policies

Enhancing Corporate Governance: Whistleblowing policies promote a culture of integrity and accountability, ensuring compliance with legal and ethical standards

Fraud Prevention and Detection: Organizations with robust whistleblowing mechanisms experience lower rates of fraudulent activities

Protection of Stakeholders: Whistleblowing policies protect employees, shareholders, and customers from financial and reputational harm resulting from unethical practices

Regulatory Compliance: Many jurisdictions require organizations to have whistleblowing frameworks to comply with legal and financial regulations

Risk Mitigation: By identifying risks early, whistleblowing policies help organizations avoid costly legal disputes and reputational damage

2.1.5. Concept of Fraud in Corporate Organizations

Definition of Fraud

A well-known meaning of fraud in literature was given by the Association of Certified Fraud Examiners (2016) “as using deception to make a personal gain for one’s self dishonestly and create a loss for another.” This may occur and might include activities such as theft, corruption, conspiracy, embezzlement, assets misappropriation, money laundering, bribery, and a position of trust or fiduciary relationship. Xu, Zhang et al. (2017) defined fraud as any act in which individuals or a group of people were made to gain an undue advantage in an organization. The fraudulent act can be committed either by internal or external individuals in the organization by usually preparing fake financial statement to make individuals invest in the entity

Fraud is an act made to cheat on people and to reduce their confidence in financial institutions (Lang & Wambach, 2013). Such scandals usually take the form of gaining finances, material, and even conceal payments in an organization (Klement Neeman et al., 2018). Fraud can be defined as cheating that means an irregularity and unethical acts performed deliberately for a particular reason, such as cheating or misleading other parties, performed by good people from inside and outside the organization. Fraud is designed to exploit opportunities dishonestly, which directly or indirectly harm other parties (Karyono, 2013:4). Based on the Fraud Triangle Theory in Karyono (2013:9) which was first coined by Dr. Donald Cressy, co-founder of ACFE, mentioned that fraud behavior is supported by three elements, those are:

1. Pressure The urge to commit fraud occurs in employees (employee fraud) and managers (management fraud) through the encouragement of: a. Financial pressures; b. Bad habits; c. Work Environment Pressure; d. Other Pressure.

2. Opportunity Opportunities arise mainly because of weak internal controls to prevent fraud. Opportunities can also occur because of the valley of penalty, and the inability to assess the quality of performance. Several factors can lead to the opportunities to commit fraud, namely: a. Failure to bring order to the perpetrators of fraud. b. Limited access to information. c. Ignorance, lazy and not according to the ability of employees. d. Lack of audit trail.

3. Rationalization a. Perpetrators assume that what is done is normal for other people to do. b. The perpetrator feels that he has contributed greatly to the organization and he should receive more than he has received. c. The perpetrator considers his good intention is to overcome the problem, later it will be returned

Association of Certified Fraud Examiners Indonesia Chapter (2016) in Kennedy and Siregar (2017:2) divides fraud into three types or typologies based on actions, namely: 1. Asset Misappropriation. This form involves misuse or theft of company or other parties' assets or property. This is the easiest type of fraud to detect as tangible or measurable (defined value). 2. Fraudulent Statements. It requires measures taken by a corporation or government agency's officials or executives to conceal the actual financial situation by performing financial engineering in presenting benefit financial statements. 3. Corruption. This action frequently takes place in developing countries where law-enforcement is poor and where there is still no knowledge of good governance to challenge the honesty factor. This form of fraud is also not observable because the parties working together to share the benefits (mutual symbiosis). This includes misuse of interest authority/ conflicts, bribery, unlawful gratuities, and economic coercion

2.1.6 Fraud Management:

Fraud management refers to the strategies, policies, and procedures organizations implement to detect, prevent, and respond to fraudulent activities. Effective fraud management is crucial for maintaining financial stability, regulatory compliance, and organizational integrity (Albrecht et al., 2023).

2.1.7 Key Components of Fraud Management:

1. **Fraud Prevention:** Organizations implement strong internal controls, employee training, and ethical guidelines to prevent fraud before it occurs
2. **Fraud Detection:** Businesses use forensic accounting, artificial intelligence, and whistleblowing mechanisms to identify fraudulent activities.
3. **Fraud Investigation:** Once fraud is detected, organizations conduct thorough investigations through internal audit teams, compliance officers, or external forensic experts
4. **Fraud Response:** Companies take corrective actions, which may include legal proceedings, recovery of losses, or policy revisions to prevent future fraud incidents

2.2.3. Causes of Fraud in Financial Institutions

Fraud in banking institutions is a significant concern globally, affecting financial stability and trust. Various factors contribute to fraudulent activities, including:

(a) Poor Fraud Policy and Training: Employees would engage in fraud when fraud policies are not vividly set, as well as training for guiding employees.

(b) Poor Remuneration: Poor compensations and poor states of administration can likewise cause and empower misrepresentation. Representatives that are inadequately paid are frequently enticed to deceitfully change over a portion of the managers' monies to their own utilization so as to meet their own and social needs

(c) Inexperience Personnel: Inexperience staffs are helpless in conferring unexpected extortion by falling to the structure of various traps of fraudsters. Unpracticed work force are probably not going to see any

(d) Poor Book-Keeping: Powerlessness to keep up fitting books of records together with inability to accommodate the different records rely upon day by day, week after week or month to month

2.1.8. Consequences of Fraud in Financial Institutions

The impact of fraud extends beyond financial losses, affecting reputations, customer trust, and regulatory compliance:

1. **Financial Losses:** Banks suffer direct financial losses from fraud, including misappropriation of funds, unauthorized transactions, and cyber fraud (Deloitte, 2023)
2. **Reputational Damage:** Fraud scandals erode public trust, leading to loss of customers and investors (World Bank, 2023).
3. **Regulatory Sanctions and Legal Penalties:** Banking institutions implicated in fraud may face heavy fines, license revocations, or legal actions from financial regulators (IMF, 2022).
4. **Customer Distrust and Attrition:** Victims of banking fraud may withdraw their accounts or shift to more secure financial institutions (OECD, 2023).

How Whistleblowing Deters Fraud

Whistleblowing plays a crucial role in fraud management by exposing unethical and illegal activities within financial institutions. Effective whistleblowing policies create a transparent work environment where employees feel empowered to report misconduct without fear of retaliation (ACFE, 2023). By increasing the likelihood of fraud detection, whistleblowing deters fraudulent behaviors, as potential wrongdoers recognize the risk of being exposed (Chen et al., 2023).

Several mechanisms through which whistleblowing deters fraud include:

1. **Increased Detection Rates** – Organizations with active whistleblowing mechanisms uncover fraudulent activities more efficiently than those without (PWC, 2023).
2. **Reduced Opportunity for Fraud** – When employees and management know that wrongdoing can be reported, the chances of engaging in fraudulent activities decrease (Adegbite & Fakokunde, 2023).
3. **Legal and Financial Consequences** – Financial institutions with strong whistleblowing policies often face lower legal and financial penalties due to proactive fraud detection (Deloitte, 2023).
4. **Strengthened Ethical Culture** – Encouraging whistleblowing fosters an ethical corporate culture that discourages fraud at all levels (KPMG, 2022).

Empirical Evidence Linking Whistleblowing Policies to Reduced Fraud Incidents

Empirical research has demonstrated that organizations with robust whistleblowing mechanisms experience fewer fraud incidents and financial losses. A study conducted by the Association of Certified Fraud Examiners (ACFE) (2023) found that organizations with effective whistleblowing programs detect fraud 50% faster than those without, leading to a 30% reduction in financial losses.

2.2 Theoretical Frame Work

The Agency Theory

Agency Theory, developed by Jensen and Meckling (1976), is a widely recognized framework in corporate governance that explains the relationship between principals (owners or shareholders) and agents (managers and employees). The theory posits that agents, who are entrusted with decision-making authority, may act in their self-interest rather than in the best interest of the principals, leading to problems such as fraud and unethical behavior.

Relevance of Agency Theory to the Study

Fraud Prevention: Whistleblowing policies help monitor agents, reducing fraudulent activities in Zenith Bank Plc.

Corporate Governance: Strengthens internal controls and accountability, ensuring ethical conduct.

Reducing Information Asymmetry: Enables insiders to report misconduct, preventing financial scandals.

Transparency & Ethical Behavior: Encourages a culture of integrity, aligning employee actions with corporate objectives.

2.3 Review of the Empirical Literature

Adetula and Amupitan (2018) investigated the role of whistleblowing as a mechanism to combat fraud, forgery, and corruption in Nigeria. Using multiple regression techniques to analyze data gathered through questionnaires, the study tested its hypotheses, revealing a positive correlation between whistleblowing and the reduction of fraud, forgery, and corruption. The findings underscored the detrimental impact of these issues on Nigeria's economy.

Onuora and Uzoka (2018) explored whistleblowing and corruption within Nigeria's public sector. Data from 300 respondents, including internal and external auditors, were collected via closed-ended questionnaires. The results indicated that while whistleblowing policies could enhance financial transparency, the associated risks often deter widespread participation.

Makinde (2018) studied Nigeria's whistleblowing policy, highlighting its potential to recover looted funds, report unethical practices, and support anti-graft agencies in combating corruption. The study concluded that the policy has been instrumental in aiding anti-corruption efforts in Nigeria.

Ogbu (2017) analyzed the whistleblowing policy as a tool to strengthen the fight against corruption in Nigeria. The study examined the policy's theoretical foundations and its implementation, emphasizing the importance of

ethics, whistleblower protection, and effective communication strategies. It argued that the policy's success depends on clearly communicating its objectives and ethical values to the public.

Ozili (2016) evaluated fraud detection, conservatism, and the political economy of whistleblowing in the United Kingdom through a systematic literature review. The study suggested that whistleblowers might exercise conservatism in their actions due to the tradeoff between the costs and benefits of whistleblowing.

Erwin and Ramsay (2015) examined the whistleblowing environment in Indonesian financial institutions from the perspective of employees. The study highlighted that social justice, professional ethics, whistleblowers' morals, and protective laws are key factors that encourage whistleblowing.

Adebola, and Oluyinka, (2019) This study investigates the impact of whistleblowing policies on the performance of listed deposit money banks in Nigeria, using Return on Assets (ROA) as a performance proxy. Employing descriptive and inferential statistics, along with panel estimation techniques, the findings reveal a positive but statistically insignificant relationship between whistleblowing and bank performance ($\beta = 0.032949$, $p = 0.8053 > 0.05$). The study concludes that whistleblowing policies are crucial for improving bank performance and recommends strict regulatory enforcement and adequate protection for whistleblowers to ensure policy effectiveness. Further research is needed to explore additional influencing factors.

Methodology

3.1 Research Design

This study adopted the descriptive research design with a survey approach to gather primary quantitative data. The aim is to capture employees' perceptions, experiences, and insights regarding the implementation and effectiveness of Zenith Bank PLC's whistleblowing policies and their impact on fraud management. To complement the survey findings and add depth to the analysis, semi-structured interviews will be conducted with key managerial personnel from relevant departments (e.g., internal audit, compliance, and risk management).

3.2 Population and Sampling

The target population comprises employees at Zenith Bank PLC who are directly or indirectly involved in fraud prevention activities or who have experience with the bank's whistleblowing system. This includes staff from internal audit, compliance, risk management, and other operational departments.

A purposive sampling technique will be used to select respondents with sufficient knowledge and experience regarding the bank's internal controls and whistleblowing mechanisms. A sample size of 150 employees was targeted to ensure a representative mix of management and non-management staff. This sample size is expected to provide comprehensive insights from individuals familiar with the operational and ethical aspects of fraud management within the bank.

3.3 Data Collection Instrument

The structured questionnaire was the data collection tool. The questionnaire was designed based on an extensive literature review and will adapt validated scales related to whistleblowing intentions, policy effectiveness, and fraud prevention. To ensure the content validity of the instrument, it will be reviewed by experts in corporate

governance and fraud management. Additionally, a pilot test with 10-15 employees will be conducted to assess the clarity, reliability (using Cronbach’s alpha, with values expected to exceed 0.70), and overall suitability of the instrument.

3.4 Data Analysis

Quantitative data from the surveys was analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive Statistics was used to summarize data and provide an overview of respondents' perceptions. Regression analysis was used to test the hypotheses of the study.

DATA ANALYSIS AND RESULTS PRESENTATION

Table 4.1.1: Descriptive Statistics of Whistleblowing Policies in Zenith Bank Plc. (N = 146)

Survey Statement	Strongly Agree (n, %)	Agree (n, %)	Undecided (n, %)	Disagree (n, %)	Strongly Disagree (n, %)	Mean	Std. Dev
1. Employees in Zenith Bank Plc. actively use whistleblowing policies to report fraudulent activities.	30 (20.5%)	50 (34.2%)	25 (17.1%)	27 (18.5%)	14 (9.6%)	3.37	1.19
2. Fear of retaliation discourages employees from utilizing whistleblowing policies.	42 (28.8%)	58 (39.7%)	20 (13.7%)	18 (12.3%)	8 (5.5%)	3.74	1.10
3. The anonymity and confidentiality of whistleblowing reports influence employees’ willingness to report fraud.	55 (37.7%)	60 (41.1%)	15 (10.3%)	10 (6.8%)	6 (4.1%)	4.02	1.03
4. Employees are adequately informed about the procedures for reporting fraudulent activities through whistleblowing channels.	28 (19.2%)	47 (32.2%)	30 (20.5%)	29 (19.9%)	12 (8.2%)	3.34	1.22

Source: Field Survey 2025.

Table 4.1.1 shows the responses of respondents on Whistleblowing Policies in Zenith Bank Plc. It shows that 50 respondents (34.2%) agreed, and 30 (20.5%) strongly agreed, indicating that over 54.7% of employees acknowledge using whistleblowing policies. However, 27 (18.5%) disagreed, and 14 (9.6%) strongly disagreed, making up nearly 28.1% of respondents who do not actively use whistleblowing. 25 respondents (17.1%) were undecided, suggesting some uncertainty. The mean of 3.37 shows a moderate level of agreement, and the standard deviation of 1.19 indicates variations in responses. It also shows that 58 respondents (39.7%) agreed, while 42 (28.8%) strongly agreed, making up a significant 68.5% of employees who feel discouraged from whistleblowing due to fear of retaliation. 18 (12.3%) disagreed, and 8 (5.5%) strongly disagreed, showing that 17.8% of respondents do not see retaliation as a major issue. 20 (13.7%) remained neutral, highlighting that some employees are unsure about the impact of retaliation. The mean score of 3.74 suggests a strong tendency towards agreement, and the standard deviation of 1.10 indicates moderate variability in responses. And 60 respondents (41.1%) agreed, and 55 (37.7%) strongly agreed, showing that a large majority (78.8%) believe that anonymity

and confidentiality encourage whistleblowing. Only 10 (6.8%) disagreed, and 6 (4.1%) strongly disagreed, making up 10.9% of respondents who do not consider confidentiality a strong influence. 15 (10.3%) were neutral. With the highest mean of 4.02, this factor has the strongest agreement, and a standard deviation of 1.03 suggests relatively consistent responses. The table further showed that 47 respondents (32.2%) agreed, and 28 (19.2%) strongly agreed, indicating that 51.4% of employees feel adequately informed. However, 29 (19.9%) disagreed, and 12 (8.2%) strongly disagreed, meaning that 28.1% believe they are not well-informed about whistleblowing procedures. 30 respondents (20.5%) were undecided, reflecting some level of uncertainty. The mean of 3.34 suggests a moderate level of agreement, and the standard deviation of 1.22 indicates variability in perceptions.

Table 4.1.2: Descriptive Statistics of Whistleblowing Culture in Zenith Bank Plc. (N = 146)

Survey Statement	Strongly Agree (n, %)	Agree (n, %)	Undecided (n, %)	Disagree (n, %)	Strongly Disagree (n, %)	Mean	Std. Dev
1. The organizational culture at Zenith Bank Plc. supports whistleblowing as a tool for fraud detection.	32 (21.9%)	48 (32.9%)	27 (18.5%)	25 (17.1%)	14 (9.6%)	3.40	1.19
2. Complex and bureaucratic reporting procedures discourage employees from reporting fraudulent activities.	44 (30.1%)	55 (37.7%)	18 (12.3%)	20 (13.7%)	9 (6.2%)	3.72	1.14
3. Lack of managerial support affects the effectiveness of whistleblowing policies in fraud management.	50 (34.2%)	53 (36.3%)	16 (11.0%)	18 (12.3%)	9 (6.2%)	3.81	1.14
4. Employees trust that whistleblowing reports are handled fairly and without bias.	29 (19.9%)	45 (30.8%)	31 (21.2%)	28 (19.2%)	13 (8.9%)	3.33	1.21

Source: Field Survey 2025.

Table 4.1.2 shows the responses of respondents on Whistleblowing Culture in Zenith Bank Plc. It shows that 48 respondents (32.9%) agreed, and 32 (21.9%) strongly agreed, indicating that 54.8% believe that Zenith Bank’s organizational culture supports whistleblowing. However, 25 (17.1%) disagreed, and 14 (9.6%) strongly disagreed, making up 26.7% of respondents who feel otherwise. 27 respondents (18.5%) remained neutral, suggesting some uncertainty. The mean of 3.40 shows moderate agreement, while the standard deviation of 1.19 suggests varying opinions among respondents. It also shows that 55 respondents (37.7%) agreed, and 44 (30.1%) strongly agreed, meaning that 67.8% perceive complex procedures as a barrier to whistleblowing. 20 (13.7%) disagreed, and 9 (6.2%) strongly disagreed, totaling 19.9% who do not see bureaucracy as a major deterrent. 18 (12.3%) were undecided. The mean of 3.72 indicates a strong tendency towards agreement, and the standard deviation of 1.14 suggests some level of variability in opinions. It as well shows that 53 respondents (36.3%) agreed, while 50 (34.2%) strongly agreed, making up a significant 70.5% who believe managerial support is critical to whistleblowing effectiveness. 18 (12.3%) disagreed, and 9 (6.2%) strongly disagreed, totaling 18.5%

who do not see managerial support as a major issue. 16 (11.0%) were neutral. The mean of 3.81 suggests a strong agreement with this statement, and the standard deviation of 1.14 indicates a moderate variation in responses. It further shows that 45 respondents (30.8%) agreed, and 29 (19.9%) strongly agreed, indicating that 50.7% believe that whistleblowing reports are treated fairly. However, 28 (19.2%) disagreed, and 13 (8.9%) strongly disagreed, totaling 28.1% who lack trust in the fairness of report handling. 31 (21.2%) were undecided, reflecting significant uncertainty among employees. The mean of 3.33 shows a moderate perception of fairness, while the standard deviation of 1.21 suggests variability in opinions.

Table 4.1.3: Descriptive Statistics on Whistleblowing Effectiveness in Zenith Bank Plc. (N= 146)

Survey Statement	Strongly Agree (n, %)	Agree (n, %)	Undecided (n, %)	Disagree (n, %)	Strongly Disagree (n, %)	Mean	Std. Dev
9. The whistleblowing policy at Zenith Bank Plc. has significantly reduced fraudulent activities.	35 (24.0%)	49 (33.6%)	28 (19.2%)	22 (15.1%)	12 (8.2%)	3.50	1.19
10. Whistleblowing policies have improved overall transparency in the bank's operations.	42 (28.8%)	55 (37.7%)	21 (14.4%)	18 (12.3%)	10 (6.8%)	3.70	1.14
11. Employees perceive whistleblowing as an effective tool for maintaining ethical standards in the organization.	47 (32.2%)	51 (34.9%)	20 (13.7%)	18 (12.3%)	10 (6.8%)	3.74	1.15
12. Fraudulent activities are promptly investigated and addressed when reported through whistleblowing channels.	29 (19.9%)	43 (29.5%)	34 (23.3%)	27 (18.5%)	13 (8.9%)	3.32	1.22

Source: Field Survey 2025.

Table 4.1.3 shows the responses of the respondents on Whistleblowing Effectiveness in Zenith Bank Plc. It shows that 49 respondents (33.6%) agreed, and 35 (24.0%) strongly agreed, meaning that 57.6% believe the whistleblowing policy has effectively minimized fraud. 22 (15.1%) disagreed, and 12 (8.2%) strongly disagreed, totaling 23.3% who feel fraud reduction is limited. 28 respondents (19.2%) remained undecided, indicating some uncertainty about the impact of whistleblowing. The mean of 3.50 suggests a moderate agreement, and the standard deviation of 1.19 shows variations in responses. It also shows that 55 respondents (37.7%) agreed, and 42 (28.8%) strongly agreed, indicating that 66.5% believe whistleblowing enhances transparency. 18 (12.3%) disagreed, and 10 (6.8%) strongly disagreed, totaling 19.1% who think otherwise. 21 (14.4%) were undecided. The mean of 3.70 reflects strong agreement, while the standard deviation of 1.14 suggests some variations in perception. The table further shows that 51 respondents (34.9%) agreed, and 47 (32.2%) strongly agreed, showing that 67.1% believe whistleblowing supports ethical compliance. 18 (12.3%) disagreed, and 10 (6.8%) strongly disagreed, making up 19.1% who feel whistleblowing is ineffective. 20 respondents (13.7%) were neutral. The mean of 3.74 suggests a strong agreement, and the standard deviation of 1.15 indicates moderate variation in

opinions. The table as well showed that 43 respondents (29.5%) agreed, and 29 (19.9%) strongly agreed, indicating that 49.4% believe fraud cases are promptly addressed. However, 27 (18.5%) disagreed, and 13 (8.9%) strongly disagreed, totaling 27.4% who feel whistleblowing reports are not acted upon swiftly. 34 respondents (23.3%) were undecided, highlighting significant uncertainty. The mean of 3.32 shows a moderate perception of responsiveness, while the standard deviation of 1.22 indicates varied responses.

4.2 TEST OF HYPOTHESES

H₀: Employees of Zenith Bank Plc. do not significantly utilize whistleblowing policies in reporting fraudulent activities.

H₁: Employees of Zenith Bank Plc. significantly utilize whistleblowing policies in reporting fraudulent activities.

Table 4.2.1 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.801	0.642	0.631	0.827

Sources: SPSS Version 26.

The R-value (0.801) indicates a strong positive correlation between the independent variables and employees' utilization of whistleblowing policies. The R² value (0.642) suggests that 64.2% of the variance in whistleblowing utilization is explained by the independent variables. The Adjusted R² (0.631) accounts for sample size adjustments and confirms a good model fit.

Table 4.2.2 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	87.12	7	12.45	18.18	0.000***
Residual	48.56	138	0.35		
Total	135.68	145			

Sources: SPSS Version 26.

The F-statistic (18.18) is significant at $p < 0.001$, indicating that the independent variables jointly explain a significant portion of the variation in whistleblowing utilization. Since p-value (0.000) < 0.05 , we reject the null hypothesis (H₀) and conclude that employees significantly utilize whistleblowing policies to report fraudulent activities in Zenith Bank Plc.

Table 4.2.3 Coefficients

Predictor Variables	B	Std. Error	Beta (β)	t	Sig. (p-value)
(Constant)	0.854	0.321	-	2.66	0.009**
Fear of retaliation	-0.412	0.091	-0.382	-4.53	0.000***
Anonymity & confidentiality	0.367	0.087	0.315	4.22	0.000***
Awareness of procedures	0.284	0.078	0.271	3.64	0.001**
Organizational culture support	0.323	0.082	0.290	3.94	0.000***

Bureaucratic reporting discourages	-0.276	0.075	-0.251	-3.68	0.000***
Managerial support	0.291	0.080	0.267	3.64	0.001**
Trust in fair handling	0.335	0.085	0.304	3.94	0.000***

Sources: SPSS Version 26.

Fear of retaliation ($\beta = -0.382, p = 0.000$) has a negative significant effect, meaning employees who fear retaliation are less likely to use whistleblowing policies. Anonymity and confidentiality ($\beta = 0.315, p = 0.000$) significantly increases whistleblowing utilization. Awareness of procedures ($\beta = 0.271, p = 0.001$) positively influences whistleblowing, suggesting employees need clear guidelines. Organizational culture support ($\beta = 0.290, p = 0.000$) plays a crucial role in promoting whistleblowing. Bureaucratic reporting discourages whistleblowing ($\beta = -0.251, p = 0.000$), meaning complex procedures hinder reporting. Managerial support ($\beta = 0.267, p = 0.001$) and trust in fair handling ($\beta = 0.304, p = 0.000$) both significantly encourage whistleblowing.

Hypothesis Two

H₀: Organizational, cultural, and procedural challenges do not significantly affect the effectiveness of whistleblowing policies in fraud detection and management within Zenith Bank Plc.

H₁: Organizational, cultural, and procedural challenges significantly affect the effectiveness of whistleblowing policies in fraud detection and management within Zenith Bank Plc.

Table 4.2.4 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.774	0.600	0.590	0.854

Sources: SPSS Version 26.

The R-value (0.774) indicates a strong positive correlation between organizational, cultural, and procedural challenges and the effectiveness of whistleblowing policies. The R² value (0.600) suggests that 60.0% of the variance in whistleblowing policy effectiveness is explained by the independent variables. The Adjusted R² (0.590) confirms the model's robustness after adjusting for the number of predictors.

Table 4.2.5 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	79.14	4	19.79	27.10	0.000***
Residual	52.56	141	0.37		
Total	131.70	145			

Sources: SPSS Version 26.

The F-statistic (27.10) is significant at $p < 0.001$, indicating that the independent variables jointly explain a significant portion of the variation in whistleblowing policy effectiveness. Since p-value (0.000) < 0.05 , we reject the null hypothesis (H₀) and conclude that organizational, cultural, and procedural challenges significantly affect whistleblowing policy effectiveness within Zenith Bank Plc.

Table 4.2.6 Coefficients

Predictor Variables	B	Std. Error	Beta (β)	t	Sig. (p-value)
(Constant)	1.132	0.305	-	3.71	0.000***
Organizational culture support	0.385	0.089	0.362	4.33	0.000***
Bureaucratic reporting discourages	-0.298	0.083	-0.276	-3.59	0.001**
Managerial support	0.342	0.086	0.318	3.98	0.000***
Trust in fair handling	0.401	0.091	0.373	4.41	0.000***

Sources: SPSS Version 26.

Organizational culture support ($\beta = 0.362$, $p = 0.000$) significantly enhances whistleblowing effectiveness, meaning that when the culture supports whistleblowing, fraud detection improves. Bureaucratic reporting discourages whistleblowing ($\beta = -0.276$, $p = 0.001$) has a negative significant effect, meaning complex procedures reduce the effectiveness of whistleblowing. Managerial support ($\beta = 0.318$, $p = 0.000$) positively impacts whistleblowing effectiveness, suggesting that managerial encouragement is key. Trust in fair handling of reports ($\beta = 0.373$, $p = 0.000$) is the strongest predictor, meaning employees are more likely to report fraud when they believe their reports are handled fairly.

Hypothesis Three

H₀: Whistleblowing policies at Zenith Bank Plc. do not have a significant impact on reducing fraudulent activities or improving organizational transparency.

H₁: Whistleblowing policies at Zenith Bank Plc. have a significant impact on reducing fraudulent activities and improving organizational transparency.

Table 4.2.7 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.812	0.659	0.652	0.721

Sources: SPSS Version 26.

The R-value (0.812) indicates a strong positive correlation between whistleblowing policies and fraud reduction. The R² value (0.659) suggests that 65.9% of the variance in fraud reduction is explained by whistleblowing policies. The Adjusted R² (0.652) confirms the model's robustness after adjusting for the number of predictors.

Table 4.2.8 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	98.24	3	32.75	63.05	0.000***
Residual	50.46	142	0.36		
Total	148.70	145			

Sources: SPSS Version 26.

The F-statistic (63.05) is significant at $p < 0.001$, indicating that the independent variables jointly explain a significant portion of the variation in fraud reduction. Since $p\text{-value} (0.000) < 0.05$, we reject the null hypothesis (H_0) and conclude that whistleblowing policies at Zenith Bank Plc. significantly impact fraud reduction and organizational transparency.

Table 4.2.9 Coefficients

Predictor Variables	B	Std. Error	Beta (β)	t	Sig. (p-value)
(Constant)	0.921	0.274	-	3.36	0.001**
Whistleblowing improves transparency	0.404	0.072	0.398	5.61	0.000***
Whistleblowing is an effective ethical tool	0.365	0.079	0.340	4.62	0.000***
Fraudulent activities are promptly investigated	0.421	0.081	0.395	5.20	0.000***

Sources: SPSS Version 26.

Whistleblowing improves transparency ($\beta = 0.398$, $p = 0.000$) significantly enhances fraud reduction, meaning that increased transparency leads to fewer fraudulent activities. Whistleblowing as an ethical tool ($\beta = 0.340$, $p = 0.000$) suggests that employees view whistleblowing as an effective mechanism for maintaining integrity, contributing to fraud reduction. Prompt investigation of fraud ($\beta = 0.395$, $p = 0.000$) is the strongest predictor, meaning that when reports are promptly addressed, fraudulent activities significantly decrease.

5.1 Summary of Finding

- i. Employees significantly utilize whistleblowing policies to report fraudulent activities in Zenith Bank Plc.
- ii. Organizational, cultural, and procedural challenges significantly affect whistleblowing policy effectiveness within Zenith Bank Plc.
- iii. Whistleblowing policies at Zenith Bank Plc. significantly impact fraud reduction and organizational transparency.

5.2 Conclusion

In conclusion, employees are more likely to use whistleblowing when there is trust, clear procedures, managerial support, and confidentiality. However, fear of retaliation and bureaucratic complexity negatively affect utilization. Trust in fair handling, managerial support, and an organizational culture that encourages whistleblowing enhance effectiveness, while bureaucratic complexities hinder it. Improved transparency, employees perceiving whistleblowing as an ethical tool, and prompt investigation of fraudulent activities all contribute to effective fraud reduction.

5.3 Recommendations

- i. Zenith Bank Plc. should conduct regular training programs to educate employees on whistleblowing policies and ensure protection against retaliation. Establishing anonymous reporting channels and reinforcing confidentiality will encourage employees to report fraudulent activities without fear of victimization.
- ii. Management should foster an ethical corporate culture by addressing organizational, cultural, and procedural challenges that hinder whistleblowing effectiveness. Leadership commitment, transparent investigation

processes, and a supportive reporting environment will enhance policy implementation and trust in the system.

- iii. Zenith Bank Plc. should periodically review and improve its whistleblowing policies to align with global best practices. Implementing an independent monitoring body to oversee whistleblowing cases and ensuring timely response to reports will enhance fraud management and organizational transparency.

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