

IMPACT OF WHISTLEBLOWING ON THE PERFORMANCE OF FINANCIAL INSTITUTIONS: A CASE STUDY OF CENTENARY BANK MUKONO BRANCH

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April, 2026



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DECLARATION

I confirm that this dissertation entitled “**The Impact of Whistleblowing on Financial Institutions**” is the result of my own independent work. It has been prepared for academic purposes only and has not been submitted to any other university or institution for assessment

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APPROVAL

I hereby certify that the dissertation titled "**The Impact of Whistleblowing on Financial Institutions**" was written by BALUKU LAWRENCE under my guidance and supervision. I approve it for submission as part of the requirements for the award of a degree

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ABSTRACT

This research investigates the consequence of whistleblowing activities on financial institutions with particular emphasis on the impacts of reporting wrongful acts on the degree of transparency, accountability, and the institution's performance as a whole. It analyzes the fraudulent activities and non-compliance with regulations which employees are willing to report owing to the unethical practices of their organizations. The study considers the primary and the secondary data to assess the levels of awareness within the employees of the institution on whistleblowing and the reporting challenges, as well as the consequences of such reports for the institution. The results suggest that the governance of institutions which have a well-functioning whistleblowing system in place suffer less financial risk and are more exposed to public confidence. The study suggests that institutions should safeguard confidentiality, protective of whistleblowers, promote a reporting culture as well as policy alignment with whistleblowing practices to gain optimum benefit from such whistleblowing activities.

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LIST OF ACRONYMS

WBS . Whistleblowing System

SOX . Sarbanes Oxley Act

UMRA. Uganda Microfinance Regulatory Authority

MDIS. Microfinance Deposit-taking Institutions

BoU. Bank of Uganda

ROA. Return of Assets

IRA . Insurance Regulatory Authority

EAC. East African Community

Freq. Frequency

% . Percentage

SA. Strongly Agree

A.. Agree

NS. Not sure

SD. Strongly Disagree

No .Number

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter covers the background of the study, the problem statement, the purpose of the study, the research objectives, the scope, and the justification and significance.

1.1 Background of the study

A whistleblower is usually a company employee, a co-owner, or any person who, out of their own accord, reveals confidential information regarding an alleged fraud, misconduct, or malpractice by the unit to external authorities or the public. Whistleblowing in the financial sector, which includes commercial banks, microfinance institutions, and insurance companies, constitutes an essential part of internal control. It is necessary for uncovering corrupt practices, violations of regulations, and fraud that may intimidate the institution. The faith that depositors and investors have in financial institutions is quickly destroyed when there is unfair information flow or management lacks transparency, and as a result, massive financial losses, regulatory measures, and irreparable reputational damage are the outcomes.

Financial performance in such institutions is therefore affected because fraud and mismanagement issues lead to decreased profitability and operational efficiency and decreased institutional stability. Whistleblower safeguards and channels for reporting have become one of the main components of corporate governance and regulatory frameworks in the world. Leading economies do not hesitate to call on the exposure of financial misconduct, being fully aware of the radical changes it brings to the market of trust. The Sarbanes-Oxley Act (SOX) in the USA, which came into force in 2002, and the European Union Whistleblowing Directive (2019) are the most illustrative examples of this worldwide changes.

They require organizations to open channels for reporting and threaten the offenders who retaliate against whistleblowers. The presence of such systems in firms like anonymous hotlines is corroborated by research conducted in the developed markets, where it is found that these

firms have lower litigation costs and higher earnings quality. They represent good ethical behavior and less internal risk, a situation which is explained by Signaling Theory. The fear of retaliation is still the main reason for the silence even in well-regulated environments, but it points to the continuous gap between legislation and implementation all over the world. When earnings are better and legal costs are lower, it really shows an organization is doing well. It means that whistleblowing can actually help a company's finances.

The East African Community (EAC) is experiencing a transformation of the regulatory regime for financial institutions and more broadly, banks. This transformation is occurring as a result of global best practices, but altered for specific challenges rooted within the local context. Financial institutions in places such as Kenya, Tanzania and Rwanda are working through the same governance related issues, which includes money laundering, cyber fraud and regulatory noncompliance. As the region moves towards financial integration and continues to create an attractive proposition for foreign country investment, the need for effective corporate governance which includes some form of whistleblowing is increasingly important. Guidance for internal controls is being gradually tightened by district institutions and central banks. However, the primary contextual challenge is strong reliance on organization culture and hierarchy, which tends to not allow or discourage open dissent or reporting. These problems with governance affect how financial institutions perform by raising operational risks, lowering efficiency, and hurting their profits . Further, there is limited empirical research that indicates a clear association between the existence of formal whistleblowing systems and improved financial performance such as Return on Assets (ROA) or profitability. Therefore, there is an emerging need for research that examines the unique context of the EAC. The Whistleblowers Protection Act, 2010 serves as the foundation of Uganda's legal environment for good practice in reporting. This legislation establishes a legal framework for reporting misconduct and provides statutory protection against retaliation.

The primary financial regulators, such as the Bank of Uganda (BoU) for commercial banks, the Insurance Regulatory Authority of Uganda (IRA), and the Uganda Microfinance Regulatory Authority (UMRA), have authority to regulate the sector and issue guidelines around governance and risk management

1.2 Statement of the problem

Even though corporate governance is getting more attention, financial institutions still struggle with problems like fraud, money laundering, employee misconduct, and breaking rules.

With the existence of the whistleblower Act Protection act 2010 already on place, employees tend to mind their own business and this could due to the fear of retaliation hence making whistleblowing systems not to work as intended hence failure to uncover fraud therefore undermining the intended purpose of whistleblowing systems and limit their contribution to improving performance institutions

In Additionally, this research aims to investigate the impact of whistleblowing on performance of financial institutions, given the gap between existing whistleblowing policies and their actual effectiveness in practice.

1.4 Research objectives

The research intends to achieve the following objectives:

- To identify the effect of whistleblowing on performance of financial institutions
- To establish the relationship between whistleblowing practices and performance of financial institution
- To evaluate the effect of whistleblower protection measures on employees' willingness to report misconduct within financial institutions.
- To identify the influence of whistleblowing on regulatory compliance, operational efficiency, and institutional reputation

1.3 Research Questions

1. What is the effect of whistleblowing on performance of financial institutions?
2. What is the relationship between whistleblowing practices and performance of financial institution?
3. What is the effect of whistleblower protection measures on employees' willingness to report misconduct within financial institutions?

4. What is the influence of whistleblowing on regulatory compliance, operational efficiency, and institutional reputation?

1.4 Scope of the study

1.4.1 Content Scope:

The study focuses on effect of whistleblowing on the performance of financial institutions

1.4.2 Time scope

The research shall be carried out from 1st September 2025 to 23th December 2025

1.4.3 Geographical scope

The research shall be carried out at Centenary bank Of Uganda located at plot 44-46 Kampala Road and Plot Burton Street.

1.5 Significance

To the researcher, it helps to provide a more precise conceptual model than the one that is currently in use in order to examine the intricate interaction between institutional performance, employee reporting willingness, and whistleblower protection.

To the academician, it helps to produce new works of literature in the areas of organizational behavior, internal control, and corporate governance in the setting of developing economies

To the organization, to give management recommendations based on evidence about how to improve their current whistleblowing systems in order to lower risk and fraud.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter will critically review the literature related to the impact of whistleblowing in the context of financial institutions' performance. It is organized in such a way to build the theoretical base, identify key concepts, and review empirical research from the international, regional and local contexts. The review will include theories such as Agency Theory and Signaling Theory. The chapter will review the components of effective whistleblowing approaches, and describe whistleblowing in relation to financial and non-financial performance measures. Finally, the chapter will identify the research gaps that this study will attempt to address.

2.1 Theory Review

2.1.1 Agency Theory

Agency Theory was proposed by Michael C. Jensen and William H. Meckling in 1976. This theory explains the relationship between principals (shareholders) and agents (managers). Conflicts will arise since managers tend to maximize their private profits at the expense of the owners (Schwalbe, 2008). Managers in financial institutions may manipulate financial statements, and conduct insider trading, and non-compliance in complying with regulatory bodies. Mechanisms of whistleblowing are internal control that can lower the agency costs and information asymmetry. Employees can call attention to managerial wrongdoing (Schwalbe, 2008). With an effective whistleblowing system, self-gaining behavior in employees may be avoided, and this leads to accountability. However, whistleblowing will not be achievable when employees fear about retaliation. This research uses Agency Theory to illustrate the impact of whistleblowing system on improving the financial performance.

2.2 Signaling Theory

Signaling Theory was proposed by the economist Michael Spence (1973). According to this theory, Organizations can communicate signals to stakeholders to reduce information asymmetry and to demonstrate credibility. From a financial perspective, strong whistleblower protection policies have a signaling effect by reflecting commitment to transparency, ethics and corporate governance. Investors, regulators and customers interpret the presence of such a system as a lower risk. The Sarbanes-Oxley Act and the EU Whistleblowing Directive require businesses to have effective reporting procedures and protections against retaliation. Adhering to these regulations has helped build trust in the marketplace, as well as increase the quality of earnings for companies that implement these practices successfully. In this study, we use Signaling Theory to demonstrate the effects of having successful whistleblower systems on the reputation of a company and the sustainability of its operations over time.

2.3 Effect of Whistleblowing on the Performance of Financial Institutions.

Whistleblowing does play a crucial role by identifying weak internal controls hence strengthening them, for instance when employees report misconduct, they can find weaknesses and address them. It is similar to Agency theory that there should be no gap in information between managers and the owners. According to o Marcia P. Miceli and Janet P. Near (2016), organizations tend to have better governance and fewer cases of misconduct.

In addition, whistleblowing helps to promote efficiency that is to say unethical practices lead to wastage of resources and creating uncreating unnecessary burdens. It is through whistleblowing that organizations manage to identify the inefficiencies such as misconduct hence addressing the problems which improves the overall effectiveness of service delivery within the institutions.

It is also worth noting that whistleblowing plays significant role on financial performance indicators includes Return on Assets and Return on Equity help to measure how efficiently financial institutions utilize their resources to make profits . moreover studies in developed economies indicate that organizations with established whistleblowing systems tend to generate more profits and lower litigation costs (Dyck ,Morse & Zingales ,2010). Also ,following the introduction of the Sarbanes -Oxley Act , Companies that adhered to implementing whistling blowing mechanisms experienced improved financial reporting and reduced fraud incidences hence suggesting a strong like between whistleblowing and financial performance .

Furthermore , It helps to build strong reputation and trust among customers , and investors .Financial institutions depend heavily on public opinion since their operations are built on trust and credibility. Along side this , research has revealed that organizations with strong whistleblowing and reporting systems experience higher levels of stake holder trust and improved corporate reputation since they reduce misconduct (Park &Blenkinsopp,2009)

It also helps help to identify fraud and bad behavior in its early developments. From the inside, it is easier for someone to use money for his private use such as buying his personal vehicle through making false reports . According to the Association of Certified Fraud Examiner (2022), “organizations lose approximately 5% of their revenue from Fraud each year”

Additionally, whistleblowing helps to promote culture and ethical environment for instance institutions that encourage openness and trust are likely to report wrong doings. In recent studies indicate that ethical organizational culture significantly influences employee behavior lead reduced misconduct and improved compliance with internal controls (Miceli, Near & Dowrkin, 2008)

In addition to this, it plays significant role in risk management and regulatory compliance. Financial institutions are required to comply to set rules and regulations set by the government whereby non-compliance results to severe penalties. It allows management to take corrective action before regulatory intervention. In Uganda, the bank of Uganda encourages strong internal control system and maintain financial stability.

Besides this, for whistleblowing systems to be effective it will still depend on other factors. There is also major challenge of fear retaliation. Employees may still reluctant to report wrong doing due to fear of job loss. According to Miceli et al. (2013), for instance organizations which lack strong whistleblower protection framework often experience low reporting rates hence limiting the effectiveness of the system.

In addition to this, there is also lack of awareness and trust in whistleblowing channels. In some institutions, employees are either unaware of reporting procedures and lack confidence of confidence in confidentiality protections hence weakens participation and reduces the overall impact of whistleblowing on governance and performance

2.4 Relationship between whistleblowing practices and performance of financial institutions.

Whistleblowing practices and how institutions perform are closely linked. Whistleblowing practices involve a culture where employees report misconduct whereas the performance of an institution is judged by how much profit is made.

Additionally, there is a connection between whistleblowing practices and the performance of financial institutions through fraud and loss reduction. Financial institutions are more likely to be exposed to internal fraud risks such as embezzlement and loan manipulation. When whistleblowing systems are operational, employees are able to report misconduct, hence protecting institutional assets. Moreover, studies on the banking sector show that internal reporting channels improve the detection of misconduct before it escalates into large financial losses (Rezaee & Riley, 2014)

Furthermore, it improves internal governance and managerial accountability. As long as employees are able to report unethical conduct without fear, that is to say management becomes more careful and responsible in decision making, which reduces agency problems where managers act in self-interest rather than in the interest of the institutions.

Alongside this, whistleblowing enhances financial reporting, which is crucial for performance measurement. The presence of accurate financial reporting enables stakeholders to make informed decisions. Instances of employees reporting misstatements of financial records make it easier for institutions to correct them. On top of that, empirical findings show that organizations with effective internal reporting channels show few accounting irregularities and improve audit outcomes (Stubben & Welch, 2020)

Besides, risk management systems are strengthened through whistleblowing practices, therefore risk identification becomes more effective when employees report operational weaknesses and compliance gaps. Moreover, studies in financial risk management highlight that internal reporting channels act as an extra layer of risk detection beyond formal audits and inspections (Gao, 2018)

In addition to this, whistleblowing helps to contribute to institutional trust and market confidence. Moreover, financial institutions operate in environments where trust determines

customer retention. When whistleblowing systems are effective therefore reduce misconduct and demonstrate a commitment to ethical governance.

Furthermore, there is connection to efficiency that is to say things like misuse of resources can be reported through whistleblowing channels hence fixing those problems leads to better use of resources

Besides, there is positive link between whistleblowing practices and performance of financial institutions do that is to say improve transparency hence stalk holder trust . But to receive the benefits hence proper whistleblowing systems need proper implementation and enforcement inside

2.5 The effect of whistleblower protection measures on employee's willingness to report misconduct within financial institutions

Whistleblower protection plays a crucial role in evaluating the effectiveness of whistleblower and performance of financial institutions and therefore it includes legal safeguards and anonymous reporting channels. Furthermore, these protections influence employee's willingness to report misconduct which affect the intuitions ability to detect fraud.

Presence of strong legal and institutional safe guards with laws designed to protect whistleblowers whereby their effectiveness depends largely on their enforcement and organizational commitment. Moreover, research indicates that when employees feel perceive protection systems as credible and enforceable, they will more likely to report wrong doing hence improving internal monitoring and governance system (Vandekerchove ,2016)

Furthermore, Protection against retaliation is important is important which includes all forms of discouraging the employees from speaking up. Moreover, studies in organizational behavior show that fear of retaliation is the strongest barrier to whistleblowing to whistleblowing (Mesmer-Magnus & Viswesvaran, 2005).

Besides this, confidently anonymity may also significantly influence reporting behavior that is to say employees are more willing to disclose sensitive information when they are assured that their identity will be protected

In addition, organizational culture plays a crucial role in reinforcing whistleblower protection that is to say a safe work environment promotes ethical leadership and openness which encourages to build trust in the system and increases participation.

Availability of training which enhances awareness creates effective whistleblower protection systems that is to say many employees lack knowledge about reporting procedures as whistleblowers. Providing training helps employees understand how to report misconduct and reassure them that they will be protected

Furthermore, the number and quality of report is affected by strong whistleblower protection measures hence employees tend to give accurate and timely information. This helps to management to respond quickly to detect fraud, whereas weak whistleblower protections lead to the creation of few reports thus slower detection to fraud.

In Additionally strong whistleblower protection boost employee morale to report willingness since their identity is kept confidential and protection. This would help institutions detect fraud and address it while it is still it early developments

2.6 Influence of whistleblowing on regulatory compliance

Whistleblowing plays an important role on how financial institutions perform well in areas of regulatory compliance, operational efficiency and institutional reputation. These areas which make it necessary for banks to survive and remain competitive.

Firstly, whistleblowing has strong influence on regulatory compliance that is to say financial institutions are regulated by the Bank of Uganda which ensures financial stability and protect Customers. Failure to comply will result in severe penalties and loss of operational license. It is through the safe channels that employees can report violations of laws and policies.

Secondly, it helps to promote operational efficiency which enables the institution to utilize its resources effectively hence minimizing waste and costs. It is through whistleblowing hat employees are able to report inefficiencies which include payroll fraud and misuse of organizational assets. Moreover, research in organizational performance shows that internal reporting systems help to identify inefficient early leading to cost savings and improved productivity (Ferrell, Liang & Renneboog ,2016)

In addition, whistleblowing promotes strong internal controls. When there are operational weaknesses, they are reported. The management implements solutions to address the operational weaknesses which leads to improved service delivery and fast decision making

Furthermore, whistleblowing plays big impact on reputation. Reputation is built on trust and transparency therefore plays a major role in attracting investors and business partners. Studies in Cooperate reputation show that organizations with effective internal accountability channels are perceived as more trustworthy and reliable by stakeholders (Fombrun & van Riel ,2004)

Additionally, Whistleblowing strengthens compliance and internal audit functions that is to say information provided by whistleblowers is always in line with the audit process which involves investigating issues that may not be easily detected through inspection routines. Moreover, research highlights that whistleblowing acts as informal control mechanisms that complements formal regulatory oversight (Dyball & Seethamraju, 2015)

Furthermore, whistleblowing promotes cost control and financial discipline through exposing fraud hence reduces financial losses therefore improving cost efficiency and enhance

profitability. Moreover, studies in financial management show that internal reporting channels contribute to stronger cost management practice (Hope, Thomas & Vyas ,2013

In Additionally, the effectiveness of whistleblowing in influencing these performance areas depend on many factors. Among the challenges there is lack of trust in the reporting channel that is to say employees may doubt that their reporting channels will remain confidential. Moreover., research indicates that trust is a key determinant of whistleblowing effectiveness (Curtis & Taylor ,2009)

Besides this, organizational culture and social context play another challenge that is to say culture norms such as respect for authority which leaders unquestionable discourages employees from reporting wrong doing.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research design, study population, sample size, sample technique, research tools, sources of data which are categories into primary and secondary, data collection process, instruments of data collection, data analysis as well as anticipated study limitation

3.1 Research Design

The research design provided the research with operating guidelines within which the research was carried out. This study used a descriptive survey with both qualitative and quantitative approaches. Qualitative ways were used because it gives an in-depth understanding of research which was used to produce findings. This finding assisted the researcher to find out what people do, think, know and feel about the subject, through observations, the respondent and reviewing the documents which were relevant to the study

3.2 study area and study population

This study will be carried out at Centenary Bank Mukono branch. The study was conducted by 150 employees from Centenary bank Mukono branch

3.3 Sample size determination

Sample size was using derived Yamane formula (1970)

$$n = \frac{N}{1 + (e)^2}$$

n = sample size

N = population

Error is 0.05

$$= \frac{150}{1 + 150(0.05)^2}$$

$$= \frac{150}{1 + 150(0.0025)}$$

$$n = \frac{150}{1.375}$$

$$n = 109.09$$

$$n = 109$$

3.4 Sample Technique

The two main general strategies are non-probability sampling and probability sampling. The following were opted.

Stratified Sampling; The researcher used this because it enhanced the representativeness of different strata, it also did not require a lot of time and so it helped the researcher carry out research in time. The researcher divided the population into the smaller subgroup and formed a test t group

Simple Random Sampling: This method was easier to apply in this kind of study. This made it easier for the researcher to select a sample size that would readily yield the needed data.

Purposive sampling; This method is comprehensive and has served the researcher well in obtaining biased and relevant information in the area of study, and it took less time than other forms of sampling because reported only selected participants who were suitable for the study demonstrated the strict purposive sampling methods appropriate to the study.

3.5 Data sources.

Both primary data and Secondary data will be collected by the researcher

Primary Data

Primary data is firsthand information from the respondent in regard to area study. Primary data was obtained through giving out questionnaires. It helps to get direct insights from the respondent,

Secondary data

Its already existing information from journals and newspaper. It helps to cross verify findings from primary data

3.6 Data collection Methods

Questionnaire

A questionnaire is a set of written questions used by a researcher to collect information from people about their opinions, feelings, or experiences on a particular topic. Questionnaire will be used by the researcher since it helps to collect large amount of data from many respondents within a short time and at relatively low cost

Interviews

An interview is a method of collecting information by talking directly to people (respondents) and asking them questions face-to-face, by phone, or online. Interviews will be used the researcher during data collection through face to face conversation with the interviewee.

Data analysis

Utilizing observational methods, questionnaires, and interviews to analyze data may necessitate organizing and assessing the data using research procedures. The specifics of the study and the data being analyzed are necessary for data processing. It assists the researcher in coming to findings and offering well-informed suggestions.

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3.7 Limitations of the study

Some respondents may have provided socially desirable answers instead of their true opinions, which could influence the reliability of the findings.

Some documents and internal reports of the bank were confidential and could not be accessed, limiting the researcher's ability to verify some data

Some employees were unwilling to respond freely to questions about whistleblowing because of fear of victimization or confidentiality concerns, which may have affected the accuracy of responses.

3.8 Ethical considerations

The research will be conducted with informed consent of the respondent that is to say no one will be focused to participate in the study.

No names of the people who take part in the study will be known and the information will be extracted only for educational purposes.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents and discusses the findings related to the research objectives which included;

- To identify the effect of whistleblowing on performance of financial institutions
- To establish the relationship between whistleblowing practices and performance of financial institution
- To evaluate the effect of whistleblower protection measures on employees' willingness to report misconduct within financial institutions.
- To identify the influence of whistleblowing on regulatory compliance, operational efficiency, and institutional reputation

The findings are from the analysis of questionnaires and are presented using figures, tables, and percentage sources with accordance with the objectives to be achieved. These findings were obtained from primary sources

4.1 Response rate

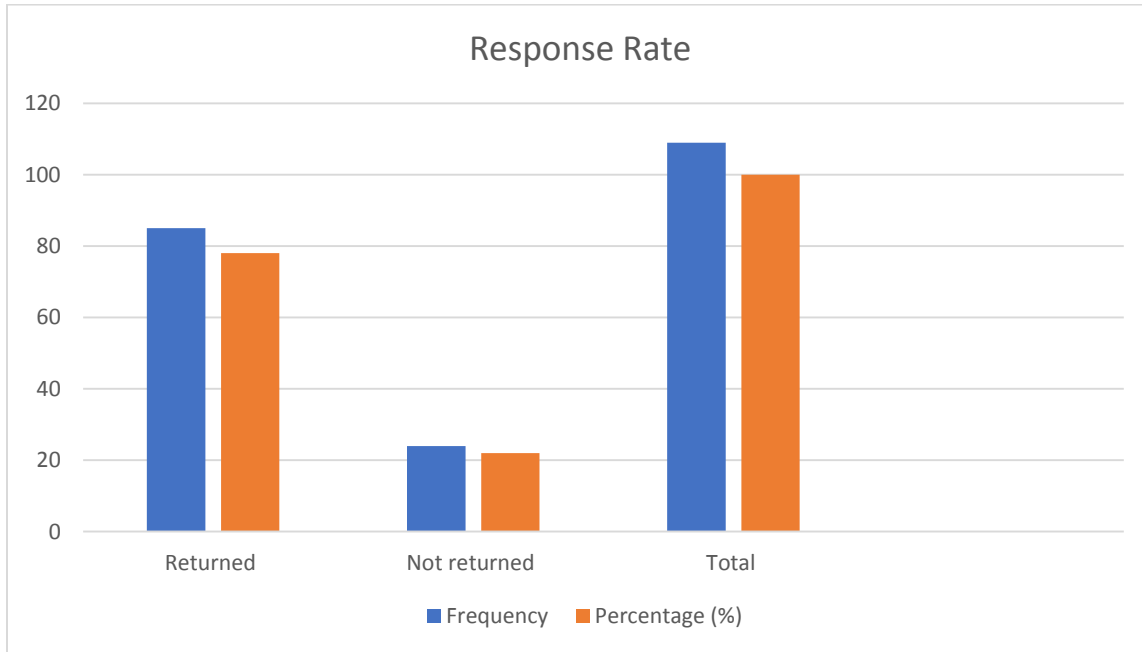
It was out of 109 questionnaires given to employees of Centenary bank but only 85 were returned

Table 1: Response rate

Response	Frequency	Percentage (%)
Returned	85	78
Not returned	24	22
Total	109	100

Source: Primary data

Figure 1: showing response rate



The response rate was 78% which was sufficient for data analysis

4.1.1 Demographic Data

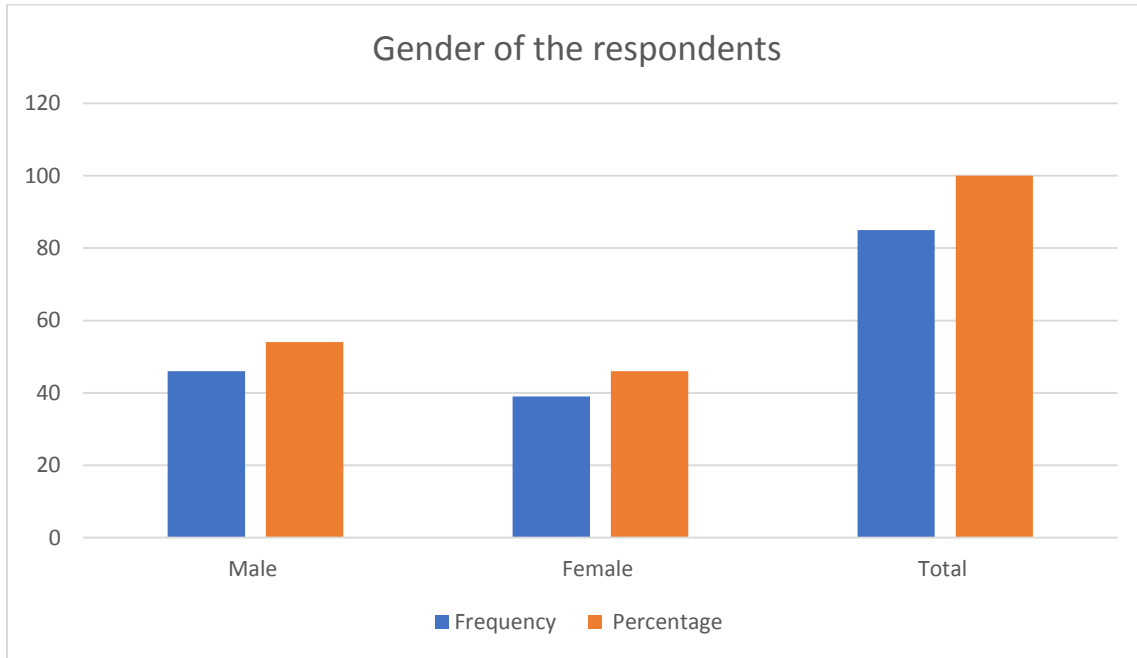
4.1.2 Gender of the respondents

Table 2: showing the gender of the respondents

Gender	Frequency	Percentage
Male	46	54
Female	39	46
Total	85	100

Source: Primary data

Figure 2: Showing gender of the Respondents



The results displayed that both male and female participated therefore giving balanced represented views regarding whistleblowing.

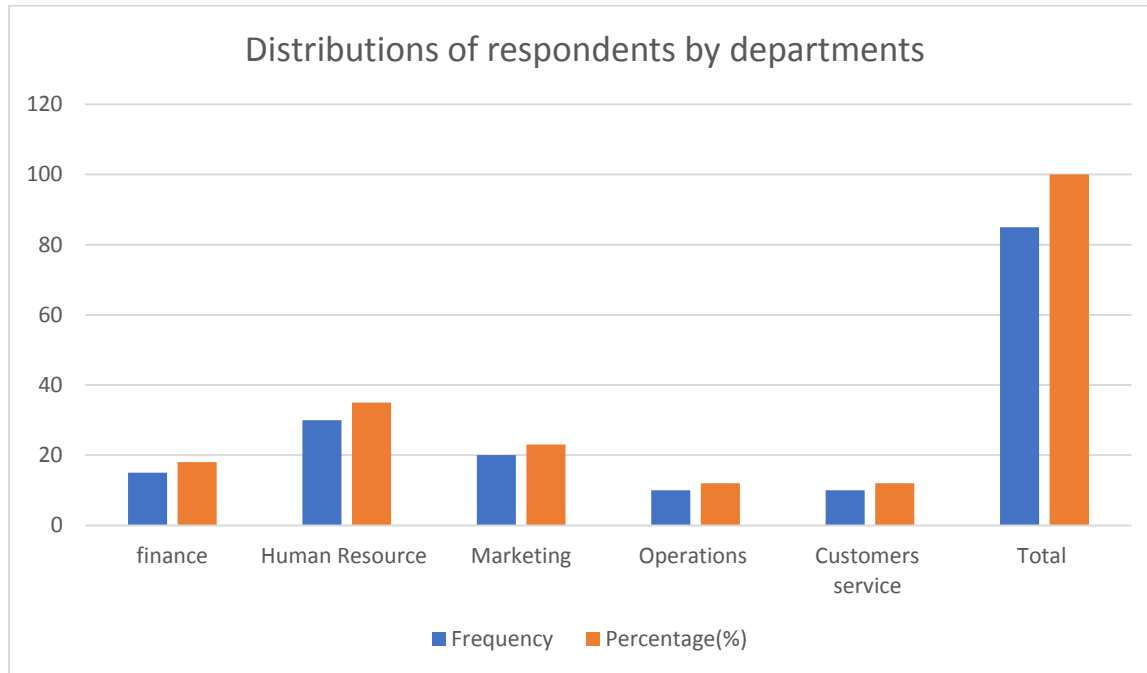
4.1.3 Distribution of respondents by department

Table 3: Distribution of the respondents by departments

Department	Frequency	Percentage(%)
Finance	15	18
Human Resource	30	35
Marketing	20	23
Operations	10	12
Customers service	10	12
Total	85	100

Source : Primary Data

Figure 3: showing the Distribution of the respondents



Besides, the findings revealed that Human Resource had the highest number of respondents (35%) whereas Operations and Customer’s service had the least of the respondents .which was (10%)

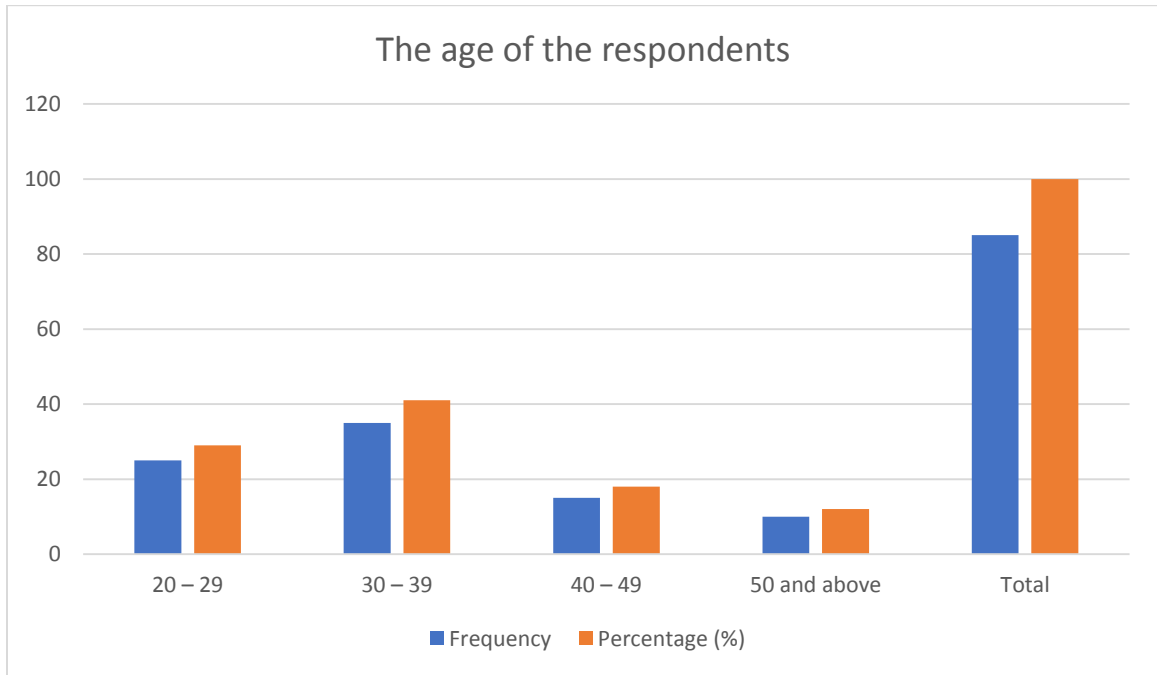
4.1.4 The age of the respondents

Table 4: showing the age of the respondents

Age Group (Years)	Frequency	Percentage (%)
20 – 29	25	29
30 – 39	35	41
40 – 49	15	18
50 and above	10	12
Total	85	100

Source : Primary data

Figure 4: showing the age of the respondents



Additionally, this shows that the majority were aged between 30 to 39 years 41%, then followed by those in the age of 20 to 29 years having 29%. This reveals that most employees are in their most active age which plays an important for understanding whistleblowing actives.

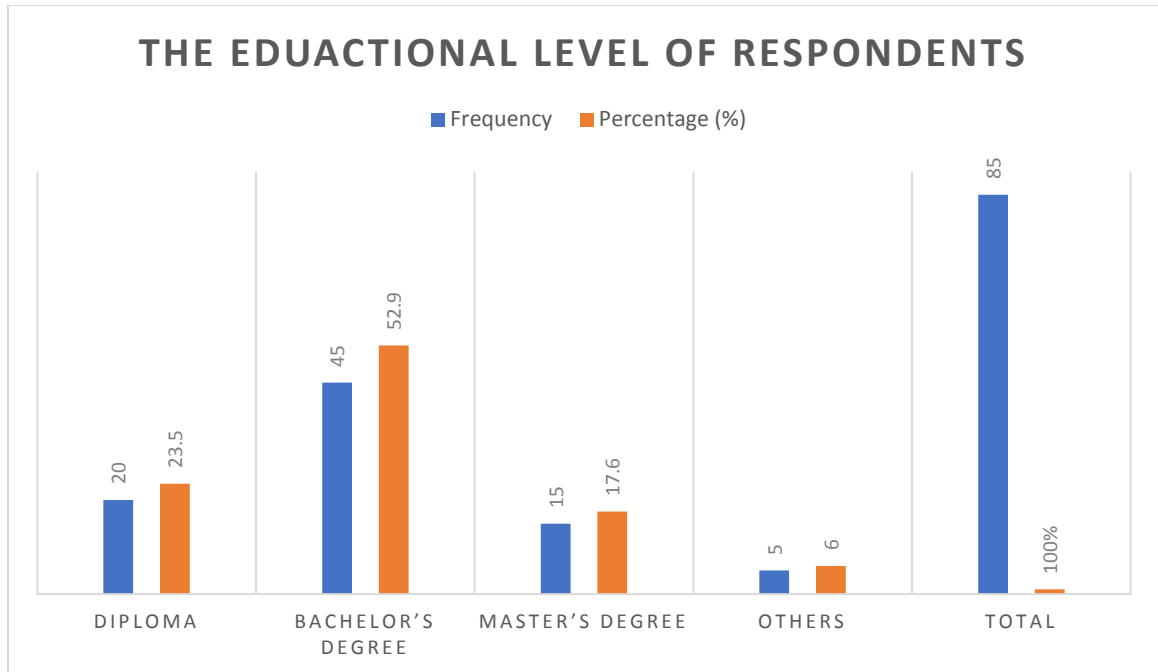
4.1.5 The education level of the Respondents

Table 5: showing the education level of the respondents

Education Level	Frequency	Percentage (%)
Diploma	20	23.5
Bachelor's Degree	45	52.9
Master's Degree	15	17.6
Others	5	6
Total	85	100%

Source: Primary Data

Figure 5: showing the educational level of the respondents



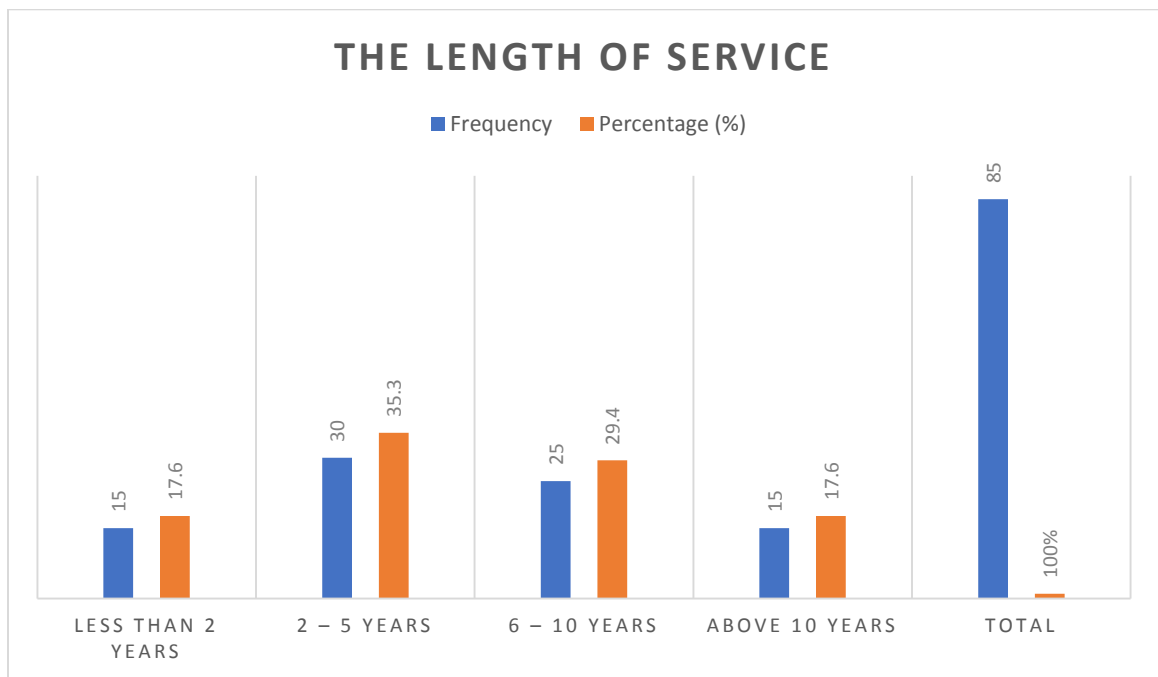
Moreover, the findings reveal that the majority of the respondents already have bachelor`s degree. This shows that most of the employees have an education therefore they are capable of understanding whistleblowing policies.

4.1.6 The length of service

Table 6: showing the length of service

C	Frequency	Percentage (%)
Less than 2 years	15	17.6
2 – 5 years	30	35.3
6 – 10 years	25	29.4
Above 10 years	15	17.6
Total	85	100%

Source: Primary source



Additionally, this reveals that most respondents (35.3) had worked for 2 to 5 years which shows that they have adequate work experience within the institutions therefore have familiar experience internal systems which include whistleblowing procedure

4.2 Effect of whistleblowing on performance of financial institutions

Table 7: Effect of whistleblowing on performance of financial institutions

Statement	Response	SA	A	NS	D	SD	Total
It helps in early detection of financial fraud and embezzlement	Freq	34	26	11	8	6	85
	%	40	31	13	9	7	100
Effective reporting systems reduce the annual financial losses of the bank	Freq	30	28	12	9	6	85
	%	35	33	14	11	7	100
Whistleblowing improves overall profitability by cutting waste	Freq	36	27	9	8	5	85
	%	42	32	11	9	6	100
Presence of whistleblowing acts as a deterrent to unethical behavior	Freq	38	25	8	9	5	85
	%	45	29	9	11	6	100
Whistleblowing improves efficiency in the bank	Freq	33	30	10	7	5	85
	%	39	35	12	8	6	100

Source : primary data

Also, the findings reveal that most respondents agreed that whistleblowing significantly affects the performance of financial institutions. It helps on early detection of fraud and embezzlement that is to say 40% strongly agreed and 31% agreed, therefore most strongly believe whistleblowing helps identify financial misconduct early. There is only small proportion disagreed or were not sure which were 9% and 13%

In addition, regarding annual financial losses that is to say 35% strongly agreed and 33% agreed therefore whistleblowing systems are effective in reducing financial losses.

Furthermore, it acts as deterrent to unethical behavior whereby 45% strongly agreed and 29% agreed hence promoting strong perception that whistleblowing discourages misconduct among employees.

For instance, it improves efficiency in the bank that is to say 39% strongly agreed and 35% agreed hence indicating that whistleblowing is believed to strengthen operational efficiency

4.3 Relationship between whistleblowing practices and performance of financial institutions

Table 8: Relationship between whistle blowing practices and performance of financial

Statement	Type	SA	A	NS	D	SD	Total
Whistleblowing practices reduce fraud in the bank	Freq	32	29	10	8	6	85
	%	38	34	12	9	7	100
There is a positive relationship between whistleblowing and financial performance	Freq	30	31	11	8	5	85
	%	35	36	13	9	6	100
Whistleblowing enhances accountability of employees	Freq	35	28	9	8	5	85
	%	41	33	11	9	6	100
Whistleblowing improves financial reporting accuracy	Freq	33	30	10	7	5	85
	%	39	35	12	8	6	100

Source: Primary data

Firstly, the findings reveal that respondents strongly agree that whistleblowing practices have positive relationship with performance of financial institutions. Also, the majority (38%strongly agree and 34% agree) of the respondents revealed that whistleblowing helps to reduce fraud.

In regard with accountability that is to say 41% strongly agreed and 33% strongly disagreed that whistleblowing enhances employee responsibility and ethical behavior.

Furthermore, whistleblowing improves financial reporting accuracy therefore 39% strongly and 35% disagreed

4.4 Effect of whistleblower protection measures on employee’s willingness to report misconduct.

Table 9: effect of whistleblower protection measures on employees willingness to report misconduct

Statement	Type	SA	A	NS	D	SD	Total
Employees are more willing to report misconduct when protection is guaranteed	Freq	37	27	9	7	5	85
	%	44	32	11	8	6	100
Fear of retaliation reduces whistleblowing activities	Freq	36	29	8	7	5	85
	%	42	34	9	8	6	100
Confidential reporting increases employee participation	Freq	34	30	10	6	5	85
	%	40	35	12	7	6	100
Training on whistleblowing increases reporting behavior	Freq	33	28	12	7	5	85
	%	39	33	14	8	6	100

Source: Primary data

Firstly, the finding reveals that whistleblower protection measures strongly influence employee’s willingness to report misconduct. the majority (44% strongly agree and 32% agree) of the respondents indicated that protection encourages reporting.

Also, fear of retaliation was also established as one of the major barriers since 42% strongly agree and 34% agree that it reduces whistleblowing activities.

Furthermore, confidentiality also increased participation that is to say with 40% strongly agreeing and 35% agreeing.

In additional, Training also played an important part since 32% strong agreed and 33% agreed that it improves reporting behavior

4.5 Influence of whistleblowing on regulatory compliance ,operational efficiency and institution reputation

Table 10: Influence of whistleblowing on regulatory compliance, operational efficiency and institution

Statement	Type	SA	A	NS	D	SD	Total
Whistleblowing improves regulatory compliance	Freq	36	29	9	7	4	85
	%	42	34	11	8	5	100
Whistleblowing improves operational efficiency	Freq	33	30	10	7	5	85
	%	39	35	12	8	6	100
Whistleblowing enhances institutional reputation	Freq	38	27	9	6	5	85
	%	45	32	11	7	6	100
Whistleblowing supports internal audit effectiveness	Freq	34	28	11	7	5	85
	%	40	33	13	8	6	100

Source : Primary data

Firstly , findings show that whistle blowing improves regulatory compliance that is to say 42% strongly agreed and 34% therefore improve adherence to regulations

On operational efficiency, 39% strongly agreed and 35% agreed that whistleblowing helps improve efficiency.

On institutional reputation, 45% strongly agreed and 32% agreed, showing that whistleblowing strongly enhances trust and public image.

Furthermore, on internal audit effectiveness, 40% strongly agreed and 33% agreed that whistleblowing supports audit processes.

CHAPTER FIVE

SUMMARY OF FINDINGS ,CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of the findings, conclusion and recommendations based on research objectives. It also highlights areas for further research.

5.1 Summary of the findings

5. 1.1. Effect of whistleblowing on performance of financial institutions

The Findings showed that whistleblowing has great impact on the performance of financial institutions. The majority of the respondents believed that whistleblowing helps to detect fraud and embezzlement and enhance profitability through minimizing waste.

Furthermore, it was noted that whistleblowing acts as deterrent to unethical behavior among the employees. Whistleblowing improves operational efficiency through identifying inefficiencies and promoting better use of organizational resources.

5.1.2 Relationship between whistleblowing practices and performance of financial institutions

Furthermore more, the study found a strong positive link between whistleblowing practices and performance of financial institutions that is to say many respondents agreed that effective whistleblowing practice reduce fraud hence enhancing accountability.

In additional, the findings showed that whistleblowing does play a role in improving financial reporting accuracy which is important for decision making organizational performance therefore institutions with strong whistleblowing practices tend to perform better due to improved governance and transparency

5.1.3 effect of whistleblower protection measures on employees willing to report

In additional, the findings show that whistleblower protection measures play a significant in influencing employees willingness to report misconduct that is to say a large number of respondents indicated that are likely to report wrong doing

Also ,fear of retaliation was identified as major barrier to whistleblowing .However the presence of confidential reporting channels and strong protection policies play an important role to increase employee participation.

5.1.4 The influence of whistle blowing on regulatory compliance

Moreover , the findings showed that whistleblowing helps the organizations to comply with regulations through identifying violations therefore enhancing by reducing waste and internal process

Additionally, whistleblowing has played important role to enhance institution reputation through promoting transparency

5.2 Conclusion

Besides, based on the finding from the study that is to say whistleblowing does play important role in strengthening performance of financial institutions. It also contributes to early detection of fraud and reduction of losses hence improved profitability.

Furthermore, whistleblowing protection measures are important to encourage employees report misconduct that is to say without adequate protection employees may restrain from speaking out hence weakening the effectiveness of whistle blowing systems

5.3 Recommendation

Ensure that whistleblowers are well-protected against retaliation through the implementation of policies discouraging any form of retaliation and creating an environment where workers feel safe reporting. Addressing those who intimidate whistleblowers promptly will lead to building trust and encouraging whistleblowing.

Confidentiality and anonymity can be achieved through creation of confidential hotlines.

Conduct regular training and sensitization through providing education to employees about whistleblowing procedures, rights and available channels thus ensuring all staff understand how and when to report wrong doing

Promote an ethical organizational culture through leading by example in promoting integrity, transparency, accountability and creating supportive environment where ethical behavior is valued and encouraged

Enhancing Regulatory monitoring through closely monitoring whistleblowing practices in financial institutions and provide guidance to ensure systems are effective and aligned with best practices

5.4 Areas for further study

While this study focused on Centenary Bank Mukono Branch, Further research could in areas like:

Explore the role of technology in enhancing whistleblowing effectiveness in Ugandan financial institutions.

Examine the psychological and social factors that affect employees' willingness to engage in whistleblowing

Examine the factors that influence whistleblowing behavior in Uganda financial institutions

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APPENDIX

QUESTIONNAIRE

Dear Sir /Madam

I am BALUKU LAWRENCE , a student of Uganda Christian University pursuing a Bachelor`s Degree in Business Administration majoring in Accounting . I am carrying out Research on **“Impact of whistleblowing on the performance of financial institutions”**, case study of Centenary Bank Mukono Branch. All information given is for academic purposes and your response will assist me in completion of this research. Please note that your participation is entirely voluntary. All responses will be handled with the highest level of anonymity and will be used exclusively for academic purposes. Thank you for contributing your time towards this study

SECTION A : PERSONAL PROFILE

(Please tick in the boxes as provided)

1 What is your gender

Male

Female

2 What is your age bracket

20-29 years

30-39 years

40-49 years

50years and

above

3 What is your highest level of Education

Diploma

Degree

4 Master's Degree

Other please _____
specify

5 What is your length of Service

Less than 2 year

6-10 years

2-5years

Above 10
years

Please rate your level of agreement with the following statements

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
SA	A	NS	D	SD

SA=5, A=4, NS=3,D=2,SD=1

SECTION B: THE EFFECT OF WHISTLEBLOWING ON THE PERFORMANCE OF FINANCIAL INSTITUTIONS.

Question; What is the effect of whistleblowing on the performance of financial institutions ?

NO	Statement	SA	A	NS	D	SD
		5	4	3	2	1
1	It helps in early detection of financial fraud and embezzlement					
2	Effective systems reporting reduce the annual financial losses of the bank					
3	Whistle blowing improves the overall profitability by cutting waste					
4	Presence of whistle blowing acts deterrent to unethical behavior					
5	Whistle blowing improves efficiency in the bank					

Besides the outlined above, are there any other effects of whistleblowing on the performance of financial institutions? If Yes, please outline them below

SECTION C: RELATIONSHIP BETWEEN THE WHISTLE PRACTICES AND PRACTICES OF FINANCIAL INSTITUTION

Question; what is the relationship between whistleblowing practices and performance of financial institution?

No	Statement	SA 5	A 4	NS 3	D 2	SD 1
1	Whistleblowing practices reduce fraud in the bank					
2	There is a positive relationship between whistleblowing and financial performance					
3	Whistleblowing enhances employee accountability					
4	Whistleblowing improves financial reporting accuracy					

Besides the outlined, are there any other relationship between whistleblowing practices and performance of financial institution? If yes , please outline them below

SECTION D :THE EFFECT OF WHISTLEBLOWER PROTECTION MEASURES ON EMPLOYEES WILLINGNESS TO REPORT MISCONDUCT WITHIN FINANCIAL INSTITUTIONS

Question; What is the effect of whistleblower protection measures on employee’s willingness to report misconduct within financial institutions

No	Statement	SA	A	NS	D	SD
		5	4	3	2	1
1	Employees are more willing to report misconduct when protection is guaranteed					
2	Fear of retaliation reduces whistleblowing activities					
3	Confidential reporting increases employee participation					
4	Training on whistleblowing increases reporting behavior					

Besides the outlined, are there any other the effect of whistleblower protection measures on employee’s willingness to report misconduct within financial institutions? If yes, please outline them below

SECTION E: THE INFLUENCE OF WHISTLEBLOWING ON REGULATORY COMPLIANCE, OPERATIONAL EFFICIENCY AND INSTITUTIONAL REPUTATION

Question; what is the influence of whistleblowing on regulatory compliance ,operational efficiency and institutional reputation?

No	Statement	SA 5	A 4	NS 3	D 2	SD 1
1	Whistleblowing improves regulatory compliance in the bank					
2	Whistleblowing improves operational efficiency					
3	Whistleblowing enhances institutional reputation					
4	Whistleblowing supports internal audit effectiveness					

Besides the outlined above, are there any other influence of whistleblowing on regulatory compliance, operational efficiency and institutional reputation? If Yes, please outline
