Cost of Reticence: Stakeholder’s Awareness on Whistle Blowing Policy

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Abstract

Recently in India the manner in which corporate frauds have been disclosed in the public domain has put whistle blowing policy in center stage for government, legislative, and regulatory reforms. The purpose of this study is to investigate the awareness level of stakeholders on whistle blowing and whether they consider it as an effective tool in curbing corporate frauds. The present research is supported by primary data, further examining the stakeholder’s attitude towards whistle blowing policy as a key enabler for good corporate governance. Out of the selected sample respondents surveyed for this study, only half of them were aware about the whistle blowing. With respect to whistle blowing as an effective tool in curbing corporate frauds, only few of them were positive about it. A small number of respondents rated whistle blowing as an important enabler for good corporate governance in the organization. These research findings could potentially be an eye opener for companies, regulators and accounting researchers find out ways by which they can propagate whistle blower policy amongst various stakeholders like employees, board of directors, creditors, suppliers and others who get impacted with the deeds of the company.