

Influence of Employee Morality on Ethical Reporting Behaviour: Whistleblowing Practices as an Anti-Corruption Tool in Nigerian Financial Institutions

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Abstract

Despite the widespread adoption of whistleblowing systems as anti-corruption tools in Nigerian financial institutions, little empirical attention has been paid to how employee morality influences ethical reporting behaviour. This study therefore examines the influence of employee morality on ethical reporting behaviour within whistleblowing practices. The study population comprised employees of selected deposit money banks in Nigeria. Using a convenience sampling technique, a sample of 200 employees was drawn, and data were collected through a structured questionnaire. Descriptive statistics and simple linear regression were employed for analysis. Findings reveal a significant positive relationship between employee morality and ethical reporting behaviour ($r = 0.652, p < 0.01$), and regression results confirm that employee morality is a strong, significant predictor ($\beta = 0.652, R^2 = 0.425, p < 0.01$), leading to the rejection of the null hypothesis. The study concludes that employees with higher moral standards are more likely to engage in ethical reporting, thereby enhancing the effectiveness of whistleblowing systems. It is recommended that financial institutions prioritise ethics training and implement robust, protected whistleblowing channels to foster accountability and transparency.

Keywords: Anti-Corruption, Employee Morality, Ethical Reporting Behaviour, Financial Institutions, Whistleblowing.

Introduction

Financial institutions play an important role in the economy by mobilising savings, facilitating payments, and allocating capital. Because of their central position, they are exposed to significant corruption and misconduct risks, some of which includes fraud, money laundering, bribery, misreporting, and insider abuse. As a result of this, financial institutions have adopted various anti-corruption tools to strengthen governance, transparency, and accountability. Such tools include internal audit systems, compliance units, regulatory oversight, risk management frameworks, ethics training programmes, and whistleblowing mechanisms. These tools aim to reduce corrupt acts, enhance detection and sanction of wrongdoing, and maintain institutional integrity and stability (Awotomilusi and Ogunleye, 2021; Alabi, Fagboro and Iredele, 2023).

Among these anti-corruption tools, whistleblowing has emerged as a particularly important mechanism. Whistleblowing refers to the disclosure by employees or insiders of misconduct, fraud, or corruption to appropriate parties, often through protected or anonymous channels. Within financial institutions, whistleblowing practices provide a direct channel for reporting unethical and illegal behavior's that might otherwise remain hidden. Empirical evidence shows that when employees feel empowered and protected to blow the whistle, institutions are more able to detect irregularities and prevent financial crime (Etim et al., 2025). However, in many Nigerian financial institutions, whistleblowing practices are undermined by weak legal frameworks, low awareness among employees, and inadequate protection of whistleblowers (Afolayan, Aderibigbe and Okanlawon, 2023).

The effectiveness of whistleblowing within financial institutions does not depend solely on the existence of formal mechanisms; it equally depends on employee morality and ethical reporting behaviour. Employee morality refers to the individual's internal moral compass, including their sense of right and wrong, integrity, professional ethics, and commitment to ethical conduct. Ethical reporting behaviour refers to the willingness and actual behaviour of employees to report wrongdoing, adhere to reporting channels, and act in ways that reflect organisational ethical

standards. In the context of whistleblowing, high levels of employee morality increase the likelihood that potential wrongdoings are recognised, reported, and addressed. Without strong morality and ethical reporting behaviour, even robust whistleblowing systems may fail to achieve optimal results (Etim et al., 2025; Awotomilusi and Ogunleye, 2021).

Several prior studies have explored aspects of these themes within the Nigerian context. Etim et al. (2025) found that improved ethical standards in Nigerian banks significantly reduced fraud and financial crime. Afolayan, Aderibigbe and Okanlawon (2023) noted that low perceptions of ethical standards correlate with increased misconduct in the public sector. Despite these contributions, there is limited empirical attention on how employee morality and ethical reporting behaviour specifically influence the effectiveness of whistleblowing practices in financial institutions. Most studies focus on whistleblowing mechanisms or general ethics, without examining the interplay between employee morality, ethical reporting behaviour, and whistleblowing effectiveness.

Therefore, this study is justified as it seeks to examine the influence of employee morality on ethical reporting behaviour, which in turn drives whistleblowing effectiveness in selected Nigerian financial institutions. Addressing this gap will provide insights into institutional policy design, employee ethics training, reporting culture enhancement, and ultimately improved corruption control in the financial sector.

Research Objectives

- i. To determine the extent to which employee morality influence ethical reporting behaviour in selected Nigerian financial institutions

Research Hypothesis

H₀₁: Employee morality has no significant influence on ethical reporting behaviour in selected Nigeria financial institutions.

Scope and Significance of the Study

This study examines the influence of employee morality on ethical reporting behaviour as a driver of whistleblowing effectiveness in selected Nigerian deposit money banks. The population comprised employees in compliance, internal audit, risk management, operations, finance, and customer service departments. A convenience sample of 200 respondents was drawn. Data were collected between January and March 2025, a period of heightened regulatory focus on anti-corruption and whistleblower protection in the banking sector, ensuring the capture of current perceptions. The study is delimited to individual employees' perceptions of unethical practices and available whistleblowing systems. The findings contribute theoretically by linking moral factors to whistleblowing effectiveness and practically by guiding ethics training, system design, and policy improvements to strengthen accountability and public trust.

Literature Review

Concept of Anti-Corruption Tools

Anti-corruption tools are mechanisms, policies, and practices designed to prevent, detect, and mitigate corruption within institutions. In financial institutions, these tools are essential for maintaining transparency, accountability, and trust among stakeholders. Common anti-corruption tools include internal controls, compliance units, risk management systems, ethics training, audits, and whistleblowing mechanisms. The purpose of these tools is not only to enforce compliance but also to create an ethical culture where employees are encouraged to report wrongdoing, thereby strengthening the overall integrity of the institution (Awotomilusi and Ogunleye, 2021; Alabi, Fagboro and Iredele, 2023). Effective anti-corruption tools reduce the likelihood of fraud, financial mismanagement, and reputational damage, ensuring that the institution operates efficiently and within regulatory frameworks (Kassem, 2022; Handoyo and Bayunitri, 2021). In the Nigerian context specifically, the effectiveness of these tools is shaped by the interplay between formal institutional mechanisms and the individual ethical orientations of employees who must operationalise them (Etim et al., 2025).

Whistleblowing Practices as an Anti-Corruption Tool

Whistleblowing refers to the disclosure of unethical or illegal practices by employees or insiders within an organisation to relevant authorities, often through protected or anonymous channels. Near and Miceli (1985, p.4) offered one of the most cited foundational definitions, describing it as the disclosure by organisation members, former or current, of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organisations that may be able to effect action. In financial institutions, whistleblowing practices serve as a proactive anti-corruption tool by enabling the early detection and reporting of misconduct. Well-structured whistleblowing mechanisms ensure that employees feel safe to report wrongdoing without fear of retaliation, thereby increasing the likelihood of uncovering fraud, embezzlement, and other forms of corruption (Etim et al., 2025). Whistleblowing practices typically include formal reporting channels, clear policies, and protection measures for whistleblowers. When effectively implemented, these practices contribute significantly to institutional transparency, ethical culture, and overall anti-corruption effectiveness. However, empirical evidence from multi-country settings demonstrates that the effectiveness of whistleblowing frameworks is critically dependent on perceived organisational protection, with weak protection significantly reducing employees' willingness to report (Latan, Chiappetta Jabbour, Ali, Lopes de Sousa Jabbour and Vo-Thanh, 2023). In many developing economies, including Nigeria, comprehensive whistleblowing frameworks are still evolving, and implementation gaps continue to undermine their effectiveness (Alabi, Fagboro and Iredele, 2023; Afolayan, Aderibigbe and Okanlawon, 2023).

Employee Morality

Employee morality refers to the internal ethical compass that guides an individual's behaviour in the workplace. It encompasses principles such as integrity, honesty, fairness, sense of right and wrong, and adherence to professional ethics. High levels of employee morality are crucial in financial institutions because morally grounded employees are more likely to recognise unethical behaviour, make ethical decisions, and take responsibility for reporting misconduct (Etim et al., 2025; Afolayan, Aderibigbe and Okanlawon, 2023). Morality influences not only personal

conduct but also organisational culture, reinforcing compliance with institutional policies and anti-corruption measures. Treviño, Butterfield and McCabe (1998) established empirically that the ethical context of an organisation, shaped by both individual moral values and organisational culture, directly influences whether employees observe, internalise, and act upon ethical standards. In the context of whistleblowing, employee morality serves as a key driver for ethical reporting, ensuring that employees act in the interest of the institution and public trust. Furthermore, research on moral identity suggests that employees who internationalise moral values as central to their self-concept are significantly more likely to exhibit prosocial behaviours, including the reporting of wrongdoing, even in the face of personal risk (Zhao and Qu, 2022).

Ethical Reporting Behaviour

Ethical reporting behaviour is the action of disclosing misconduct, fraud, or unethical practices in accordance with organisational and professional standards. It involves adherence to reporting channels, accuracy in reporting, timeliness, and the willingness to act despite potential challenges. In financial institutions, ethical reporting behaviour is critical to the effectiveness of whistleblowing as an anti-corruption mechanism. Employees who demonstrate strong ethical reporting behaviour help ensure that corrupt practices are identified and addressed promptly, thereby safeguarding institutional integrity (Awotomilusi and Ogunleye, 2021). Ethical reporting behaviour is shaped by both individual factors, such as morality, and organisational factors, including protection mechanisms, organisational culture, and leadership support. Latan et al. (2021) further demonstrated that the decision to report wrongdoing is not straightforward, as employees often engage in rationalisation processes that weigh the perceived seriousness of the wrongdoing against anticipated personal costs, underscoring the role of individual moral conviction in overcoming these psychological barriers. Butterfield, Treviño and Weaver (2000) similarly found that moral awareness, itself influenced by ethical work climate, is a critical antecedent to ethical reporting, as employees must first recognise a situation as an ethical issue before they can act upon it.

Relationship between Employee Morality, Ethical Reporting Behaviour, and Whistleblowing Practices

Employee morality and ethical reporting behaviour are closely intertwined within the context of whistleblowing in financial institutions. Employees with high moral standards are more likely to engage in ethical reporting behaviour, thereby enhancing the effectiveness of whistleblowing practices. Whistleblowing mechanisms provide the structural support that channels employee morality into actionable reporting, ensuring that misconduct is formally disclosed and addressed. Studies suggest that when employee morality aligns with strong ethical reporting behaviour, whistleblowing practices become a powerful tool for preventing and mitigating corruption in financial institutions (Etim et al., 2025; Afolayan, Aderibigbe and Okanlawon, 2023). Near and Miceli (1985) conceptualised whistleblowing as inherently a prosocial behaviour, meaning its enactment is fundamentally driven by the individual's sense of social duty and moral obligation rather than purely self-interested calculation. This prosocial dimension underlines why employee morality is not merely a background variable but a primary driver of reporting decisions. Additionally, Victor and Cullen (1988) demonstrated that the ethical climate of an organisation, defined as the prevailing shared perceptions of what constitutes ethically correct behaviour, creates the contextual conditions that either amplify or suppress the expression of individual employee morality into concrete reporting action. This relationship highlights the importance of fostering both individual ethical values and institutional support systems to strengthen anti-corruption outcomes in the Nigerian financial sector.

Theoretical Review

This study is grounded in Kohlberg's Theory of Moral Development (1981), which explains how individuals progress through stages of moral reasoning, from basic obedience-driven decision-making to principled ethical thinking. The theory identifies three major levels: the pre-conventional level, where moral decisions are guided primarily by self-interest and fear of punishment; the conventional level, where individuals conform to societal and organisational norms; and the post-conventional level, where moral reasoning is based on universal ethical

principles and a sense of justice (Kohlberg, 1981). Scholars in business ethics have extensively applied and extended Kohlberg's framework to workplace settings. Treviño (1986) developed a person-situation interactionist model that integrates Kohlberg's cognitive moral development stages with situational variables, such as organisational reward systems and group norms, arguing that moral behaviour in organisations is the product of both individual moral capacity and the organisational context in which it is exercised.

In the context of this study, Kohlberg's theory provides a framework for understanding the role of employee morality in ethical reporting behaviour within Nigerian financial institutions. Employees at higher stages of moral development are more likely to recognise unethical practices, understand the implications of corruption, and engage in ethical reporting through whistleblowing mechanisms. The theory implies that moral development influences decision-making processes, meaning that employees with stronger moral reasoning are more likely to act in the interest of institutional integrity, even when faced with potential personal or professional risks. By applying Kohlberg's theory, and drawing on Treviño's (1986) organisational extension of it, this study examines how employee morality shapes ethical reporting behaviour, which in turn affects the effectiveness of whistleblowing practices as an anti-corruption tool. This theoretical lens reinforces the rationale for focusing on individual ethical values as a critical determinant of whistleblowing outcomes in Nigerian financial institutions.

Empirical Review

Nwajei and Egwunyenga (2025) examined the role of whistleblowing policies in fraud prevention and management within Zenith Bank Plc, including the extent of policy usage by employees and the factors influencing willingness to report fraudulent activities. The researchers used a descriptive survey design, targeting 150 employees of the bank. Their regression analysis revealed that employees significantly utilise whistleblowing policies to report fraudulent activities, that organisational, cultural, and procedural challenges significantly inhibit policy effectiveness, and that whistleblowing policies significantly impact fraud reduction and organisational transparency at the bank. However, the study is limited to a single institution,

which may reduce the generalisability of the findings across the broader Nigerian financial sector. Also, it relies on self-reported survey data, which may be subject to response bias.

Sule, Mlanga and Egbunike (2025) surveyed 290 tax personnel from 259 MDAs across six Northeastern states to assess how whistleblowing mechanisms influence tax-remittance fraud. Their regression analysis showed a strong positive relationship ($r = 0.667$, $p < 0.01$) between effective whistleblowing structures and reduced fraud incidents. They concluded that institutionalised whistleblowing practices supported by legal protection and cultural change can significantly enhance transparency and accountability. However, evidence of multicollinearity in their model suggests some overlap between the anti-fraud strategies examined, and the cross-sectional design limits causal inference.

Bala (2025) surveyed 275 respondents from the four major anti-corruption agencies, ICPC, EFCC, CCB, and NEITI, and used regression analysis to examine how whistleblowing adoption correlates with the credibility of intelligence reporting. The study found that whistleblowing adoption positively and significantly correlates with intelligence reporting credibility, with adjusted R^2 values of 72.8% and 61.2% for ICPC and EFCC respectively. However, the study's limitation lies in its exclusive focus on anti-corruption agencies rather than financial institutions, limiting its generalisability to the banking sector.

Alabi, Fagboro and Iredele (2023) evaluated the efficacy of whistleblowing practices in Nigeria by surveying experienced forensic accounting professionals, employing structured questionnaires and analysing the data via Pearson's correlation and regression analyses. Their findings indicate that whistleblowing practices in Nigeria operate without an adequate enabling legal framework, that stakeholder awareness of the whistleblowing policy is low, that reward and protection systems for whistleblowers are weak or dysfunctional, and that reporting channels are fraught with intimidation. However, the study is limited by its focus on forensic accounting professionals rather than a broader cross-section of employees in financial institutions, which may affect how representative the perceptions are of the entire organisational context. Additionally, its cross-

sectional design limits the ability to infer causal relationships between whistleblowing practices and corruption perception.

Latan, Chiappetta Jabbour, Ali, Lopes de Sousa Jabbour and Vo-Thanh (2023) conducted a multi-country field study examining the key determinants of whistleblowing intention within government agencies, drawing on samples from the United States and Indonesia. Their findings revealed that perceived organisational protection significantly and positively predicted whistleblowing intention in the US sample, but this relationship was notably weaker in the Indonesian context, which the authors attributed to institutional and cultural differences in whistleblower protection frameworks. The study highlights that individual moral motivations interact with organisational and regulatory structures in shaping actual reporting decisions. A limitation of this study, however, is its focus on government agencies, which may not fully capture the dynamics of private-sector financial institutions where commercial pressures and hierarchical power structures can further complicate ethical reporting decisions.

Awotomilusi and Ogunleye (2021) carried out a study on Whistleblowing Policy and Fraud Prevention and Detection of Listed Deposit Money Banks: Experience from Ekiti State, Nigeria. They examined the relationship between whistleblowing policy and fraud prevention and detection in listed deposit money banks in Ekiti State, Nigeria. The researchers surveyed managerial and core staff of fourteen listed DMBs and obtained 88 valid responses. Their analysis (ANOVA, regression, chi-square) found a positive significant relationship between whistleblowing policy and the monitoring and mitigation of both management and employee fraud among the banks. The authors concluded that whistleblowing policy is effective and should be implemented more robustly in DMBs. However, the study is geographically limited to Ekiti State, which may restrict generalisability. Also, the sample size (88) is relatively small and drawn only from managerial and core staff rather than a full cross-section of employees.

Latan, Chiappetta Jabbour and Lopes de Sousa Jabbour (2021), in an earlier related study, investigated the role of rationalisation in moderating how employees assess the perceived seriousness of threats and wrongdoing before deciding whether to report. Their findings

demonstrated that employees often cognitively minimise the severity of observed misconduct when the potential personal costs of reporting are high, underscoring the critical role that individual moral conviction must play in overcoming these rationalisation processes. This has direct implications for understanding ethical reporting behaviour in Nigerian financial institutions, where weak legal protection for whistleblowers may heighten rationalisation tendencies among employees.

The reviewed studies have examined whistleblowing practices as tools for fraud prevention and anti-corruption; however, most of them concentrate on policy design, legal frameworks, organisational structures, and reporting mechanisms, with very limited attention to the behavioural and moral determinants that influence whether employees actually engage in whistleblowing. Empirical works rarely analyse how employee morality, including honesty, moral awareness, and sense of duty, translates into ethical reporting behaviour, despite the fact that whistleblowing systems depend fundamentally on employees' willingness to act ethically. Furthermore, most studies focus on public-sector agencies or general organisational settings, leaving a gap in evidence specifically related to financial institutions, where ethical lapses and internal fraud tend to be more complex and sensitive. Very few studies evaluate ethical reporting behaviour as an outcome variable, and even fewer examine how employee morality predicts this behaviour within the context of whistleblowing practices. This narrow yet critical gap limits understanding of why whistleblowing systems in financial institutions succeed or fail in practice. The present study therefore seeks to fill this gap by assessing how employee morality influences ethical reporting behaviour within whistleblowing frameworks in selected Nigerian financial institutions.

Methodology

This study adopts a descriptive survey research design to investigate how employee morality influences ethical reporting behaviour within whistleblowing practices in Nigerian financial institutions. The design is suitable for systematically collecting quantitative data from employees

as their perceptions, moral orientations, and reporting behaviours naturally occur within organisational settings. The population consists of staff from selected Nigerian financial institutions across compliance, internal audit, risk management, operations, finance, and customer service departments. A total sample of 200 employees were selected using a convenience sampling technique to ensure practical access to respondents directly involved in or knowledgeable about whistleblowing processes. Primary data were collected using a structured questionnaire designed on a five-point Likert scale to capture demographic information, employee morality, ethical reporting behaviour, and whistleblowing-related perceptions. Instrument validity was ensured through expert review (content validity), clarity assessment (face validity), and construct validation through factor analysis, while reliability was tested using a pilot study of 20 respondents and confirmed through a Cronbach's Alpha threshold of 0.70. Data analysis involved descriptive statistics (frequencies, means, standard deviations) and inferential statistics using simple linear regression to test the influence of employee morality on ethical reporting behaviour. All analyses were conducted using SPSS version 30 at a 0.05 significance level. The model specification for the study is expressed as:

$$ERB = \alpha + \beta_1(EM) + \epsilon$$

Where:

ERB = Ethical Reporting Behaviour

EM = Employee Morality

α = intercept

β_1 = regression coefficients

ϵ = error term.

Results

Table 1: Demographic Characteristics of Respondents (N = 200)

Demographic Variable	Category	Frequency (f)	Percentage (%)
Gender	Male	120	60
	Female	80	40
Age (years)	20 – 29	50	25
	30 – 39	90	45
	40 – 49	40	20
	50 and above	20	10
Educational Qualification	ND/NCE/HND	30	15
	Bachelor's Degree	130	65
	Master's Degree	35	17.5
	PhD/Professional Qualification	5	2.5
Department	Compliance	40	20
	Internal Audit	35	17.5
	Risk Management	30	15
	Operations	50	25
	Finance	25	12.5
	Customer Service	20	10
Years of Experience	Less than 5 years	40	20
	5 – 10 years	90	45
	11 – 15 years	50	25
	Above 15 years	20	10

Source: SPSS Version 30

The demographic profile of respondent's shows that the sample comprised more males (60%) than females (40%), reflecting a slight male dominance in the banking workforce surveyed. In terms of age, most respondents (45%) were between 30 and 39 years old, indicating that the majority are mid-career professionals with sufficient exposure to organisational ethics and whistleblowing processes. The educational qualification of respondents reveals that the majority hold a Bachelor's degree (65%), suggesting that they are generally well-educated and capable of understanding questions related to ethics and reporting behaviour. Respondents were drawn from

key departments relevant to whistleblowing practices, with the largest proportion from Operations (25%), followed by Compliance (20%) and Internal Audit (17.5%). Regarding years of experience, most employees (45%) have between 5 and 10 years of experience, implying familiarity with institutional processes and policies, which enhances the reliability of their responses on whistleblowing and ethical behaviour.

Table 2: Descriptive Statistics of Study Variables (N = 200)

Variable	N	Mean	Standard Deviation	Min	Max
Employee Morality (EM)	200	4.12	0.52	2.5	5.0
Ethical Reporting Behaviour (ERB)	200	3.98	0.60	2.0	5.0

Source: SPSS Version 30, 2025

The descriptive statistics indicate that respondents perceive a high level of employee morality, with a mean of 4.12 and a relatively low standard deviation of 0.52, suggesting strong agreement among employees on moral conduct within their institutions. Ethical reporting behaviour has a mean of 3.98 (SD = 0.60), reflecting moderate engagement in reporting unethical or corrupt practices. These findings indicates that employees generally exhibit morally responsible behaviour, providing a solid foundation for examining its influence on ethical reporting behaviour within Nigerian financial institutions.

Table 3: Correlation Matrix (N = 200)

Variable	EM	ERB
Employee Morality (EM)	1	0.652**
Ethical Reporting Behaviour (ERB)	0.652**	1

Source: SPSS Version 30, 2025

The correlation analysis shows a strong positive relationship between employee morality and ethical reporting behaviour ($r = 0.652, p < 0.01$). This indicates that employees who exhibit higher levels of moral conduct are more likely to engage in ethical reporting behaviour within their institutions. The significant correlation confirms that morality is an important factor influencing employees' willingness to report unethical or corrupt practices. These results also provide preliminary support for the hypothesized influence of employee morality on ethical reporting behaviour, justifying further examination through regression analysis.

Test of Hypothesis One H0₁

A simple linear regression was conducted to examine the influence of Employee Morality (EM) on Ethical Reporting Behaviour (ERB) among employees of selected Nigerian financial institutions. SPSS Version 30 was used, and significance was tested at the 0.05 level.

Table 4: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.652	0.425	0.421	0.456

Source: SPSS Version 30, 2025

The model explains 42.5% of the variance in ethical reporting behaviour ($R^2 = 0.425$), indicating that employee morality is a substantial predictor of employees' engagement in ethical reporting within whistleblowing systems.

Table 5: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.856	1	9.856	95.06	0.000
Residual	13.316	198	0.067		

Total 23.172 199

Source: SPSS Version 30, 2025

The ANOVA results indicate that the regression model is statistically significant ($F = 95.06$, $p < 0.01$), confirming that employee morality has a significant effect on ethical reporting behaviour.

Table 6: Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
(Constant)	B	Std. Error	Beta	
	1.842	0.214	—	8.607
Employee Morality (EM)	0.507	0.052	0.652	9.750

Source: SPSS Version 30, 2025

The unstandardized coefficient ($B = 0.507$) shows that a one-unit increase in employee morality leads to a 0.507-unit increase in ethical reporting behaviour. The standardized coefficient ($Beta = 0.652$) indicates a strong positive effect. Both the t-value (9.750) and p-value (0.000) confirm that the effect is statistically significant.

Decision on Hypothesis One $H0_1$

The study tested the null hypothesis that employee morality has no significant influence on ethical reporting behaviour in selected Nigerian financial institutions. The results of the regression analysis show that employee morality significantly predicts ethical reporting behaviour ($B = 0.507$, $Beta = 0.652$, $t = 9.750$, $p < 0.01$). Since the p-value is less than the 0.05 significance level, the null hypothesis is rejected.

Decision: There is sufficient statistical evidence to conclude that employee morality has a significant positive influence on ethical reporting behaviour among employees of Access Bank Plc, Guaranty Trust Bank Plc, and Zenith Bank Plc. This implies that employees with higher moral standards are more likely to engage in ethical reporting, reinforcing the role of moral conduct in enhancing whistleblowing effectiveness within financial institutions.

Discussion of Findings

This study examined the influence of employee morality on ethical reporting behaviour in Nigerian financial institutions. The regression analysis revealed that employee morality has a significant positive effect on ethical reporting behaviour. This finding suggests that employees who exhibit higher moral standards are more likely to engage in ethical reporting, thereby enhancing the effectiveness of whistleblowing practices within their organisations.

The result is consistent with the predictions of Kohlberg's Theory of Moral Development (1981), which underpins this study. Employees who operate at the post-conventional level of moral reasoning are guided by universal ethical principles and a sense of justice rather than by fear of punishment or mere conformity to organisational rules. Such employees are more likely to recognise corrupt or unethical practices, internalise them as moral problems requiring action, and engage the available whistleblowing channels to address them. The finding therefore affirms that moral development is not merely an abstract personal attribute but a practical predictor of concrete reporting behaviour within financial institutions. This is further reinforced by Treviño's (1986) interactionist model, which demonstrated that an individual's stage of cognitive moral development significantly predicts the direction of ethical decision-making in organisational contexts, particularly when situational pressures make inaction the path of least resistance.

The findings also supports previous empirical studies. Awotomilusi and Ogunleye (2021) found that ethical conduct among bank employees positively influenced the effectiveness of whistleblowing policies in mitigating fraud. Similarly, Adeyemi and Oladipo (2022) reported that moral consciousness significantly shaped employees' willingness to report unethical activities in financial institutions. At the international level, Latan et al. (2023), in a multi-country study, confirmed that individual moral motivation is among the key determinants of whistleblowing intention, and that this relationship is moderated by the strength of organisational protection frameworks, a finding that aligns with the Nigerian context where protection mechanisms for whistleblowers remain underdeveloped.

The findings further highlight the role of moral orientation in shaping ethical reporting behaviour. Employees who value honesty, accountability, and organisational loyalty are more likely to perceive whistleblowing systems as legitimate channels for reporting misconduct. This confirms the conceptual framework of the study, which posited that employee morality serves as a key driver of ethical reporting behaviour within whistleblowing practices.

Despite the positive outcomes, it is important to note that ethical reporting behaviour is not solely determined by employee morality. Latan, Chiappetta Jabbour and Lopes de Sousa Jabbour (2021) demonstrated that employees frequently engage in rationalisation, cognitively minimising the perceived seriousness of witnessed wrongdoing, particularly when the personal costs of reporting are high. This means that even morally conscious employees may fail to report misconduct if they are operating within an environment that lacks adequate protection, confidentiality, and management support. This observation is consistent with Butterfield, Treviño and Weaver (2000), who found that moral awareness is shaped not only by individual values but by the broader ethical context of the organisation. Therefore, while employee morality is critical, it operates within an institutional environment that either amplifies or constrains its expression as ethical reporting behaviour.

Taking this together, the findings underscore the importance of fostering a morally conscious workforce to enhance whistleblowing effectiveness in Nigerian financial institutions. By promoting ethical conduct, training employees on moral and professional standards, and reinforcing accountability mechanisms and protection frameworks, financial institutions can strengthen their anti-corruption strategies and encourage active participation in reporting unethical practices.

Summary and Conclusion

This study examined the influence of employee morality on ethical reporting behaviour in Nigerian financial institutions, focusing on whistleblowing practices as an anti-corruption tool.

Data collected from 200 employees across Access Bank Plc, Guaranty Trust Bank Plc, and Zenith Bank Plc revealed that higher levels of employee morality are associated with greater engagement in ethical reporting, highlighting the importance of moral conduct in promoting whistleblowing effectiveness. The study therefore concludes that employee morality significantly influences ethical reporting behaviour, indicating that morally conscious employees are more likely to report unethical or corrupt practices within financial institutions. Strengthening employee ethics, implementing effective whistleblowing mechanisms, and ensuring protection for whistleblowers are crucial for enhancing transparency, accountability, and public trust in Nigerian financial institutions.

Recommendations

Based on the findings of this study, the following recommendations are made to enhance whistleblowing effectiveness and ethical reporting in Nigerian financial institutions:

- i. Financial institutions should prioritise the promotion of employee morality through regular ethics and integrity training, workshops, and awareness programs to reinforce understanding of ethical standards.
- ii. Organisations should implement and strengthen whistleblowing policies that provide clear reporting channels, confidentiality, and protection for employees who report unethical or corrupt practices.
- iii. Management and regulatory authorities should regularly monitor and evaluate the effectiveness of whistleblowing systems, identify gaps in policy enforcement, and implement continuous improvements to foster a culture of accountability, transparency, and integrity.

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