

# **The power of invisibility: Anonymity as a whistleblower support tool**

**Anonymity motivates potential whistleblowers more than financial reward or salary compensation.**

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Employees who have become aware of misconduct in the workplace face a serious but often difficult decision about whether to report it. It is therefore vital to design legislative instruments that would facilitate their whistleblowing. To identify such incentives, we conducted a questionnaire experiment in collaboration with the Whistleblower Protection Office (WPO), with a focus on public sector employees. The anonymous whistleblowing option emerged as the best incentive among all the options tested. Conversely, financial compensation or rewards did not lead to a higher willingness to blow the whistle. One potential reason for this may be that the use of financial incentives often crowds out intrinsic motivation, which then needs to be sufficiently compensated for financially.

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Several determinants influence the willingness to blow the whistle in the face of misconduct harmful to society

The Whistleblower Protection Office (the “WPO”) was established to support and protect whistleblowers who wish to report misconduct in their employment that poses a threat to the public interest. According to an opinion poll conducted by the WPO in May 2023, as many as around 62% of respondents said they would be willing to report such misconduct (Whistleblower Protection Office, 2023). However, between the stated willingness to blow the whistle and the actual whistleblowing there is still a psychological, motivational and implementation process, which may also be influenced by other determinants (Mesmer-Magnus & Viswesvaran, 2005). According to a WPO survey, only about 6% of government organizations registered a whistleblowing report in 2021 (Kovanič & Chovancová, 2023). As a matter of fact, the decision to blow the whistle is significantly influenced not only by individual and situational determinants but also by environmental determinants, which include, for example, whistleblower protection options provided by legislation (Culiberg & Mihelic, 2017). This means that the willingness to report corruption, fraud or threats to health or the environment can be increased by properly designing whistleblower protection mechanisms and sufficiently raising public awareness about these tools.

## CURRENT LEGISLATION AND POTENTIAL AMENDMENTS

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Current legislation focuses mainly on the protection of whistleblowers' rights

The legislative framework of whistleblowing is regulated in Slovakia by Act No. 54/2019 Coll. on the Protection of Whistleblowers. The Act provides for several ways to protect and support whistleblowers. The main protection mechanisms under employment law include the granting of protected whistleblower status and a request for suspension of an employment-related measure, such as dismissal, reassignment, or salary reduction. The protected whistleblower status is granted by the Public Prosecutor's Office or a competent administrative authority. For whistleblowers with such status, the employer must seek the WPO's consent before any employment-related measure is taken, and no such measure can be taken against the whistleblower unless such consent is granted. This ensures that whistleblowers are protected from retaliation.

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Such as protection from employer retaliation

If whistleblowers who do not hold the protected whistleblower status experience retaliation, they may approach the WPO within 15 days of the implementation of such retaliatory measures and request that they be suspended. In the event of a suspension confirmation issued, the whistleblower shall have 30 days to apply to the competent court for a preliminary injunction and the suspension shall last until the court's decision. In addition, the WPO can formally warn

employers that acts of retaliation against whistleblowers violate the law. The option to impose sanctions on employers up to €100,000 is also an important deterrent to retaliation.

*The introduction of rewards for successful whistleblowing was also considered in the past*

The current legislation also allows for granting a reward of up to 50 times the minimum wage to a whistleblower who has made a qualified whistleblowing report. However, there is no legal entitlement to such reward, and when assessing the reward request, the WPO shall take into account the degree of the whistleblower's merit in the revelation of the misconduct harmful to society, the identification of its perpetrator, the whistleblower's lost earnings, or the extent of the property preserved or returned. However, the introduction of a new format of whistleblower rewards, in the form of proportionate rewards, up to 50% of the value of the property returned to the state following a whistleblowing report, was also discussed in the amendment process of the Act. Yet this proposed amendment did not get enough support in the parliament.<sup>1</sup> An alternative form of financial support for whistleblowers is salary compensation. Thus, this case does not involve a reward for the whistleblowing report made, it is rather a compensation for the whistleblower's loss of income as a result of retaliation. Although this option has not been discussed in the public debate, it already exists in some European countries, such as Lithuania or Belgium.

## **BOX 1: WILLINGNESS TO BLOW THE WHISTLE IN FOREIGN EXPERIMENTS**

### **Financial motivation and severity of the offence**

This experiment was conducted on a sample of accountants in the US who were asked to declare their willingness to report financial reporting fraud to an external authority. The perceived gravity of the offence was positively correlated with the willingness to report it. Conversely, if the offence was not perceived as grave, the financial reward for blowing the whistle was positively related to the willingness to report. The reward offered was 10% to 30% of the penalty in excess of \$1 million (Andon et al., 2018).

### **Anonymity and consequences of whistleblowing**

This experiment involved online business students in the US who were asked to imagine a situation, that in a hypothetical firm, expenses were understated in order to artificially meet financial targets. They also received information on whether any previous whistleblowers had faced consequences and whether the culprits had been punished. They were then asked to indicate whether they would report this misconduct either anonymously or non-anonymously. A key finding was that the existence of an anonymous channel was important for whistleblowers in situations where they could face negative consequences of whistleblowing (Kaplan et al., 2012).

<sup>1</sup> The proposed amendment is available at <https://www.nrsr.sk/web/Dynamic/DocumentPreview.aspx?DocID=527155>.

### **Trust in the organisation and the supervisor**

An experiment on a sample of internal auditors and management accountants in the US concerned a fraud involving falsified earnings of a media firm. However, this fraud was presented in the third person, so participants answered the question of how likely it was that the third person would report the fraud. The study shows that trust in supervisors and the organisation is closely related to reporting misconduct in the workplace. They recommend that organizations increase the willingness to report by disclosing the actions taken to investigate fraud (Seifert et al., 2014).

### **Support and protection provided by the organisation**

This case involved an evaluation of data from a periodic questionnaire about the work environment (Merit Principles Survey) of U.S. federal employees. They were asked about their willingness to report misconduct committed by staff at different levels, such as colleagues, supervisors or political appointees. The results show that support and protection provided by the organisation, education on whistleblowing, and altruistic motivation to work in the public interest increase this willingness, while perceived personal costs decrease it. Protection and support provided by the organisation works precisely through the perception of lower personal costs, and education in this area, provided directly by the employer, can serve as a form or signal of the employer's support (Cho & Song, 2015).

### **Individualism and collectivism**

This study was conducted on government officials in South Korea who were asked about their response should they discover injustice in their workplace. Horizontal collectivism among colleagues was correlated with willingness to report the injustice internally and externally, whereas vertical collectivism with management was not. Studies have also confirmed the correlation of fear of consequences with inactivity (Park et al., 2005).

### **Perceived control over life and ethical judgement**

A questionnaire distributed to Chinese managers and other professionals presented a hypothetical scenario in which a company manager is considering reporting a major corruption case in his company. Respondents were asked to answer how ethical they found the intention to report and whether they would make the report themselves. Ethical judgment was positively correlated with stated willingness to report, while perceived control over life, which was also measured as part of the questionnaire, further accentuated this relationship (Chiu, 2003).

### **Risk aversion and belonging**

A questionnaire was distributed to a sample of employees from 30 Chinese firms, focusing on their willingness to report minor individual wrongdoing in the firm, such as theft or deceiving customers. A sense of belonging to the organisation and moral qualities such as impartiality, generosity or honesty

increased the stated willingness to report wrongdoing in the company. However, the positive effect of belonging may subsequently be reduced by higher risk aversion, which is not the case for the positive effect of moral qualities (Zhou et al., 2018).

## QUESTIONNAIRE EXPERIMENT

*We therefore decided to experimentally compare the individual measures*

Given the importance of legislative tools aiming to protect and support whistleblowers, we have decided to test several of their potential proposals. The findings presented here are based on the responses of participants to a questionnaire-based survey conducted in December 2023 by the polling agency 2muse. Our target group was public sector employees, with a final sample of 932 respondents divided into five groups. They were presented with a hypothetical workplace situation indicative of misconduct and various whistleblower protection and support options. Respondents in the Control group (T0) were not briefed on any aspects of legislative protection. Respondents in the Legislative Protection (T1) group were briefed on the current form of legislative protection. Respondents in the Anonymous Whistleblowing (T2) group were briefed on the current legislation and additionally on the anonymous whistleblowing option. Respondents in the Financial Compensation group (T3) were briefed on the current legislation and, in addition, on the option of receiving financial compensation in the event of dismissal from employment. Respondents in the Financial Reward group (T4) were briefed on the current legislation and additionally on the option of receiving a financial reward if the case is investigated and a fine is imposed.

### BOX 2: WHISTLEBLOWER PROTECTION TOOLS TESTED

The **Control group (T0)** was instructed at the beginning of the questionnaire to imagine a hypothetical workplace situation. Respondents were asked to put themselves in a situation where they, as employees, became aware of suspicious bid rigging through a randomly delivered email and an additional search for information on the purchase of company vehicles. At the same time, they were instructed to imagine that they had received training on legislation governing whistleblowing on misconduct posing a threat to the public interest. However, no specific information on the training content was provided to the Control group.

**Legislative protection (T1)** in its current form was presented to the second group of respondents. In contrast to the Control group, some information on the content of the hypothetical training was also given after the same situation was presented. This allowed us to measure the effect of information about current legislative protection on the stated willingness to report misconduct. Respondents in this group thus learned that the Whistleblower Protection Office (WPO) can provide them with information and legal advice or can file a criminal complaint on the whistleblower's behalf and grant protection to the whistleblower. Specifically, for example, by ensuring that the whistleblower cannot be dismissed from their employment, reassigned to another job position, or have his or her salary reduced without the WPO's consent. Moreover,

employer retaliation may be investigated, and the employer may be fined by the WPO.

An **anonymous whistleblowing report (T2)** was presented to respondents in the third group. In addition to a description of the bid rigging in public procurement and information about the current legislative protection, this group was also presented with a description of the anonymous whistleblowing option. Respondents were thus made aware of the possibility to report misconduct completely anonymously via a secure web form available on the WPO website, but also with the employer. Anonymous whistleblowing may motivate especially those who fear retaliation (Kaplan et al., 2012).

**Financial compensation (T3)** from the state amounting to up to 6 months' salary was presented to the fourth group of respondents. These respondents were also presented with a hypothetical workplace situation and information about current legislative protection. However, instead of receiving a description of anonymous whistleblowing, they were given information about the possibility of receiving financial compensation if legal instruments fail and the whistleblower is dismissed from his/her job. This may be the case if the formal deadline for requesting suspension of the employment termination notice is not met, or if the whistleblower is not granted protected whistleblower status. Moreover, after having blown the whistle, the employee may lack motivation to continue working in the organisation.

**Financial reward (T4)** from the state amounting to 30% of the value of the fine imposed by the Public Procurement Office to penalise the bid rigging was presented to the last group of respondents.<sup>2</sup> After presenting the same situation and providing information about the current legislative protection, the option of obtaining an additional financial reward if the case is investigated by the Public Procurement Office and a fine is imposed was mentioned. Financial rewards should have a positive effect, especially on those people who do not attach much importance to the misconduct at issue (Andon et al., 2018).

*We tested the belief in reporting fraud in public procurement*

After presenting the respondents with the hypothetical workplace situation and a variety of information about whistleblower protection and support, we asked about their stated willingness to report this misconduct. This is referred to as a first-order belief, where the respondent expresses their belief about their own course of action. In addition, we asked participants how likely they were to believe that another employee would report the situation. This is referred to as a second-order belief, where the respondent expresses their belief about someone else's intention. This may in some ways be a better indicator of actual behaviour than the first-order belief about one's own behaviour (Jachimowicz et al., 2018). In particular, the overall level of willingness to blow the whistle may be lower in reality, and therefore closer to the second-order belief, which is likely the result of at least partial elimination of the experimenter demand effect.<sup>3</sup> What can play a role in comparing the different groups on

<sup>2</sup> As the misconduct harmful to society mentioned in our questionnaire was related to public procurement, the Public Procurement Office would be responsible for its investigation.

<sup>3</sup> The experimenter demand effect causes changes in the behaviour of experimental subjects due to assumptions about what constitutes appropriate behaviour. The subject on whom this effect is exerted tends to give responses that are more socially acceptable, for example, than true answers. Therefore, we assume that the stated willingness to blow the whistle may be significantly higher than the actual willingness to report the misconduct, especially when expressing beliefs about one's own actions.



the other hand are also some assumptions about other people, such as trusting them to act in accordance with the interests of others. For these reasons, it is not possible to say unequivocally which type of expectations represents a better indicator in our case and looking at both can give us a more comprehensive picture of the effectiveness of individual interventions.

We also asked about the whistleblowing channel and on disincentives

We then asked where the respondents would report the misconduct and what discourages them from doing so. We further asked about the perceived gravity of the misconduct, the institution's approval of whistleblowing, the supervisor's attitude towards whistleblowing, the likelihood that the misconduct would be stopped, awareness of whistleblowing, and trust in other people. We also measured risk aversion, level of individuality, perceived control over life, and level of personal integrity. As mentioned earlier, our findings are based on the stated willingness to blow the whistle and other self-assessed characteristics, whereas the actual willingness to blow the whistle may be significantly lower. However, assuming that there are no significant differences in self-assessment ability between the groups and the experimenter demand effect is the same across the groups on average, we can compare the willingness to blow the whistle among these groups. As a matter of fact, this effect does not correlate with our hypothesis in that case (Zizzo, 2010).

### BOX 3: SAMPLE OF RESPONDENTS

Responses to our questionnaire were provided by a representative sample of public administration employees. However, we had to exclude 85 respondents from the original sample of 1,017 based on their response to the question of which institution they are employed at or from which institution they have the most income: In fact, some of the responses indicated that the respondent was not a public sector employee.<sup>4</sup> The final sample thus comprised 932 respondents. The average age of these participants was 43 years, with women making up 62% and 55% having a university degree. There was a similar distribution of respondents across the groups.

The respondents were employees of institutions operating in different areas of the public sector. Most participants were employed in the fields of education, science, research, sport and culture (327), and health, veterinary and food administration (141). This was followed by employees in the security, armed forces, and public forces (83) and labour market, social affairs, and family policy (76). The remaining one third of the participants came from various backgrounds, such as economy, environment, transport, finance, judiciary, or foreign relations. We found no significant differences among staff from the different areas of activity, nor among staff from the state administration compared to regional and local self-government.

<sup>4</sup> The question could be answered by selecting one of the 6 options offered, which included different groups of institutions, or by selecting „other“ and filling in your own answer. As a matter of fact, the responses of the excluded respondents mentioned specific types and names of companies or stores, but also explicit statements that they were not public sector, such as private sector, no employment, or no institution.

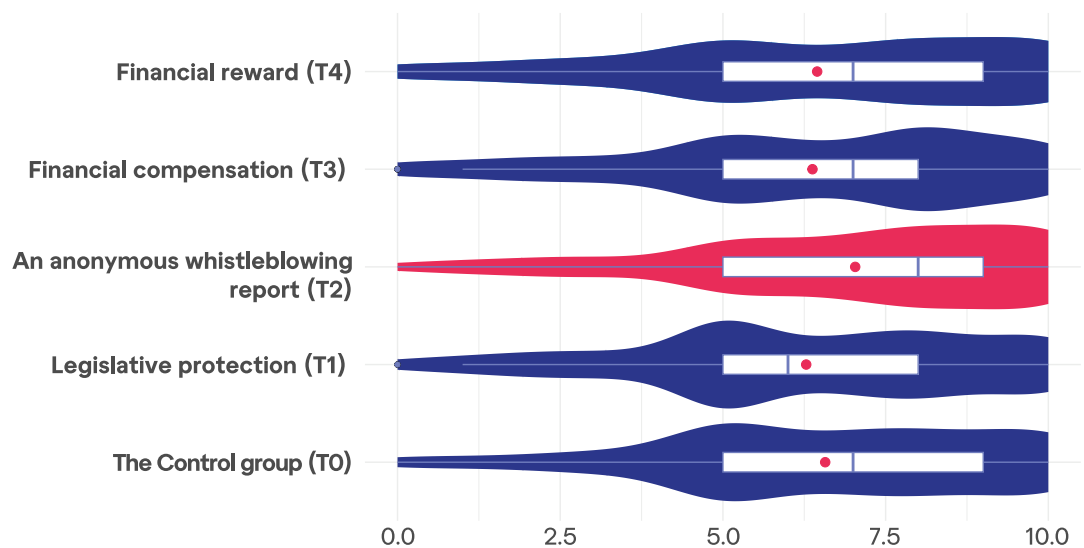


## EXPERIMENT RESULTS

The option to report fraud completely anonymously was most effective

The group of participants that received additional information about the option to report misconduct completely anonymously via a secure online form, declared on average 6.2 p.p. (percentage points) higher willingness to report it compared to the group that did not receive this information. Conversely, providing additional information about financial compensation or financial reward did not have a significant impact on the stated willingness to blow the whistle (Figure 1). Similarly, pointing out the current legislative protections did not increase the willingness to report misconduct compared to the control group who were not informed of these options.<sup>5</sup>

Figure 1: Anonymity leads to the highest stated willingness to blow the whistle



Notes: The violin plot shows the distribution of respondents' answers in each group to the question "How likely is it that you would report this misconduct?" on a scale from 0 – I would definitely not report it to 10 – I would definitely report it. The width of the plot represents the relative number of responses with a given value. The box plot shows the first, second and third quartiles and the red point shows the average value in that group.

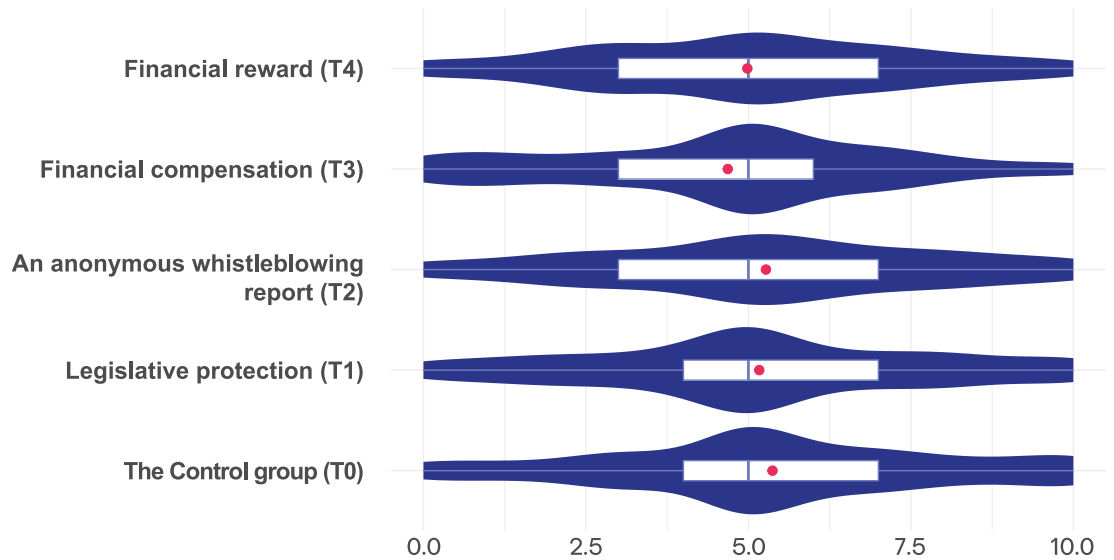
The measures tested had no effect on the belief in colleagues' whistleblowing

For second-order beliefs, we observe significantly lower stated values in all groups than for the first-order beliefs, confirming our initial assumption of the experimenter demand effect. At the same time, none of the additional information increased the belief that the misconduct would be reported by other staff. In contrast, the group that received additional information about financial compensation expressed on average 3.9 p.p. less certainty about such course of action, although this difference was only weakly significant. Similarly, the group that received information about the financial reward expressed on average 2.8 p.p. less certainty about such course of action, however, this difference was not significant at all. Thus, contrary to their first-order belief, respondents did not expect a higher willingness to blow the whistle if they were informed about the anonymous whistleblowing option (Figure 2). This may be related to a certain heroization of whistleblowers, where respondents do not consider a hypothetical whistleblower as an ordinary person, but rather as a specific hero. Indeed, anonymity does not play as significant a role in

<sup>5</sup> In the evaluation, we compare the group with legislative protection (T1) versus the control group (T0) with the intention of estimating the net effect of providing this information, and then the group with anonymous whistleblowing (T2), financial compensation (T3) and financial reward (T4) versus the group with legislative protection (T1).

the decision-making of such a hero as people attribute to it when it is directly about them in the role of whistleblower. The need to shift from the notion of the whistleblower as a specific hero to the realisation that they are primarily an ordinary person in a difficult situation has also been pointed out by the WPO, especially in the context of designing public policies (Kovanič, 2023).

Figure 2: Anonymity does not affect beliefs that others would blow the whistle



Notes: The violin plot shows the distribution of respondents' answers in each group to the question "How likely is it that any other employee would report this misconduct under the given conditions?" on a scale from 0 – They would definitely not report it to 10 – They would definitely report it. The width of the plot represents the relative number of responses with a given value. The box plot shows the first, second and third quartiles and the red point shows the average value in that group.

Most people fear negative consequences in their workplace

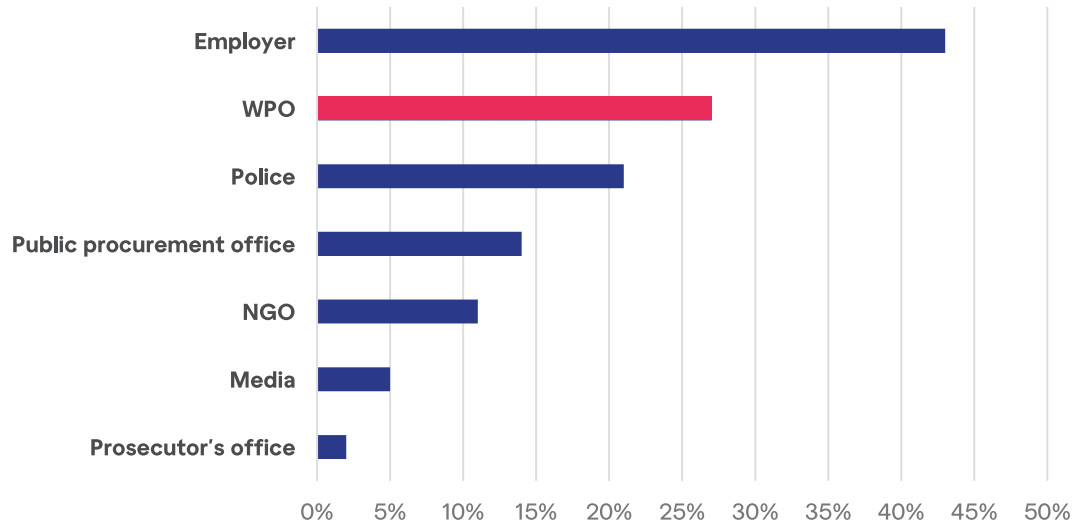
In addition, in our experiment, we sought to find out what discourages respondents from blowing the whistle and where they would make their whistleblowing report. Almost 70% of respondents said they were discouraged by negative consequences in the workplace, 27% even by negative consequences outside the workplace. Up to 23% of respondents do not believe that the problem would be addressed further and more than 15% of respondents consider the effort required to be disproportionate to the results. Many of these concerns can be mitigated precisely by having sufficient and reliable means to protect whistleblowers, as well as a transparent and accountable approach to investigating existing whistleblowing reports.

Protection and anonymity increase the likelihood of making a whistleblowing report to the WPO

Respondents in the control group were most likely to state that they would make their whistleblowing report to their employer (43%), while the second most widely stated recipient of the whistleblowing report was the Whistleblower Protection Office (27%). The WPO was followed by the Police (21%), the Public Procurement Office (14%) and NGOs (11%). Respondents could choose more options in this question. The intention to approach the WPO was understandably even more widespread in the group which received information on current legislative protection, compared to the control group that received no such information. Similarly, there has been an increased willingness to approach the Public Prosecutor's Office, which plays a key role in granting protected whistleblower status. On the contrary, the intentions to approach their employer directly have declined in this group. Those respondents who were informed about the anonymous whistleblowing option were even more likely

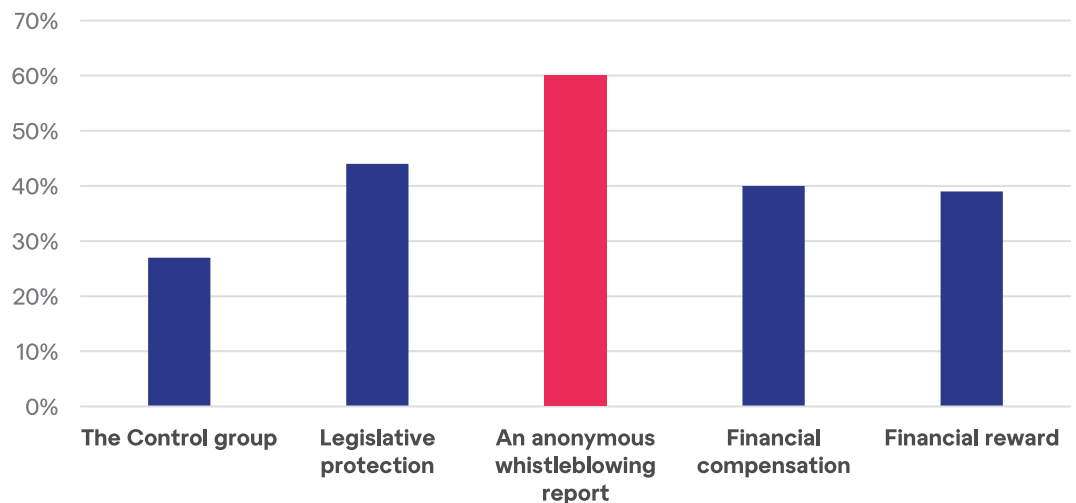
to approach the WPO. Interest in reporting such misconduct to the employer has again declined in this case. The breakdown of entities which the respondents in the control group would make their whistleblowing report to can be seen in Figure 3. The percentage of respondents in each group who would make their whistleblowing report to the WPO can be seen again in Figure 4.

Figure 3: Whistleblowing rate in the control group (%)



Notes: The chart shows the relative numbers of respondents in the control group who would make their whistleblowing report to each of the entities. The options offered were the employer, the Whistleblower Protection Office (WPO), the Police, the Public Procurement Office (PPO), a non-governmental non-profit organisation (NGO), media, the Public Prosecutor's Office or other, where the respondents wrote their answer, such as the Labour Inspectorate, I don't know or nowhere. The answer other was chosen by 5% of respondents in the control group.

Figure 4: Whistleblowing rate to the Whistleblower Protection Office (%)



Notes: The chart shows the relative numbers of respondents who would make their whistleblowing report to the Whistleblower Protection Office in each group. T0 – Control group, T1 – Legislative protection, T2 – Anonymous whistleblowing, T3 – Financial compensation, T4 – Financial reward.

## OTHER DETERMINANTS OF WHISTLEBLOWING

We evaluated questions focusing on individual and situational determinants

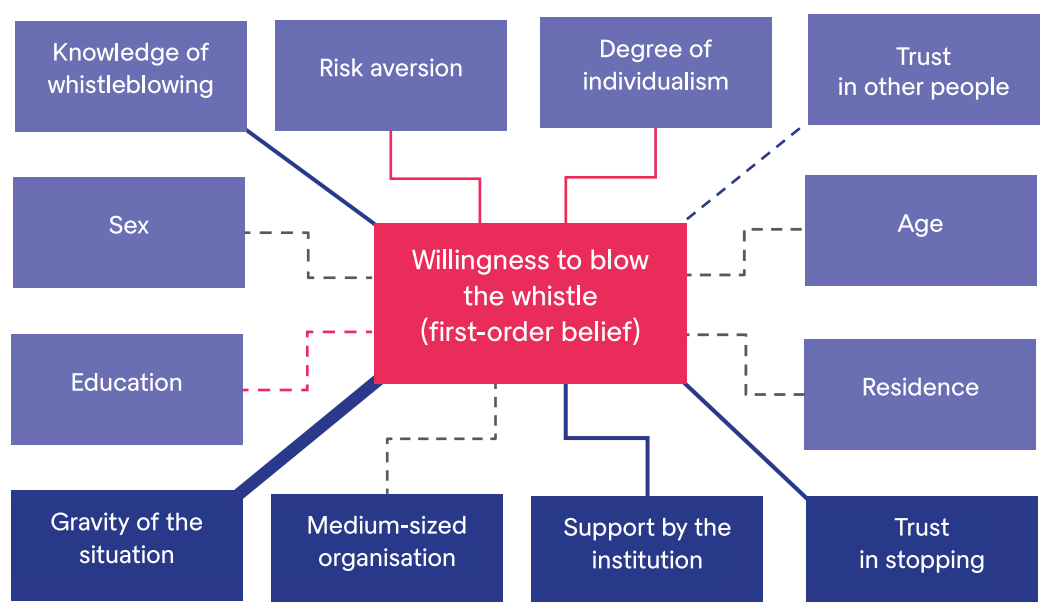
The main objective of our experiment was to estimate the effectiveness of legislative protection and support for whistleblowers, which is one of the environmental determinants of decision making. However, there are other aspects that influence the determination to blow the whistle. In order to take these into account in the analysis, we asked the participants a number of additional

questions. The first set of questions was related to individual determinants of the potential whistleblower, which include, for example, risk aversion (Zhou et al., 2018), the degree of individualism (Park et al., 2005) and perceived control over life (Chiu, 2003). It also includes demographic indicators such as age or sex (Gao & Brink, 2017). The second group on the other hand, includes questions related to situational determinants. These include, for example, the perceived gravity of the situation (Andon et al., 2018), support from the institution (Cho & Song, 2015), as well as expectations, whether the misconduct would be stopped following the whistleblowing report (Near et al., 2004).

The willingness to blow the whistle was mainly influenced by the perceived gravity of the situation

Most demographic characteristics had no significant effect for either first-order or second-order beliefs. Respondents' university education had a slightly negative effect on their first-order belief. However, these respondents more frequently stated too much effort not matching the results of whistleblowing as a disincentive. The reason for this may therefore be precisely more frequent or more thorough consideration of the difficulty of this process already in the hypothetical decision making. The knowledge of how to proceed was, of course, a strong aspect in the first-order belief. However, this correlation could be due not only to the fact that knowledge in this area increases the willingness to blow the whistle, but conversely also due to the fact that willingness to blow the whistle leads to the acquisition of such knowledge (e.g. more interest in information materials or voluntary training). Of the individual determinants, risk appetite and a collectivistic attitude were positively correlated with the first-order belief. Trust in other people also had a slightly positive impact. The situational determinants included mainly the perceived gravity of the situation, the support from the institution, but also the confidence that the misconduct would stop once reported. The gravity of the situation had the most significant influence on the stated willingness to report fraud in this case.

Diagram 1: Both individual and situational determinants influence the stated willingness to blow the whistle

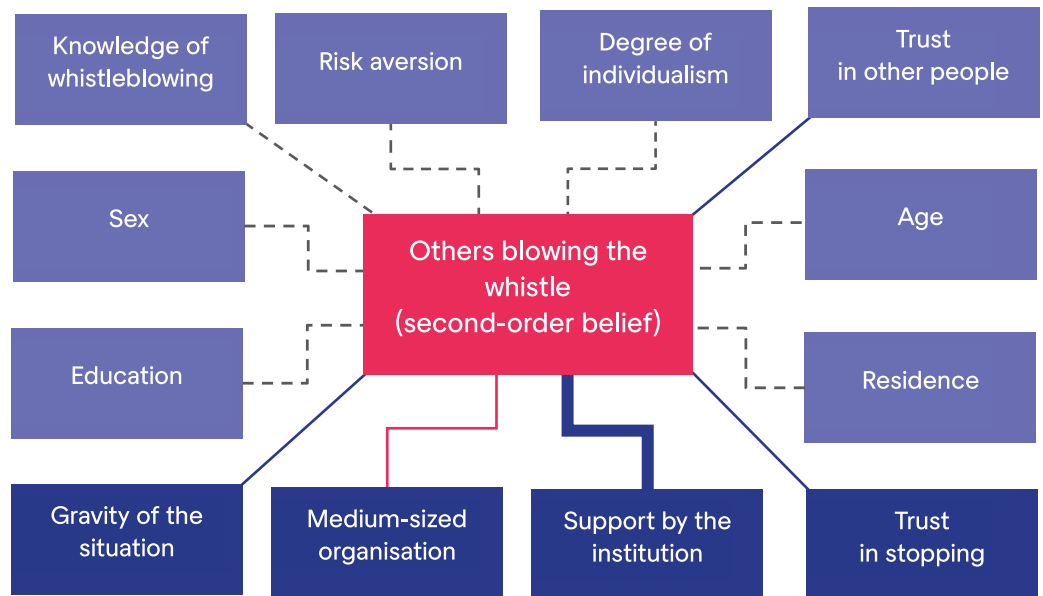


Notes: The determinants influencing the willingness to blow the whistle are divided into individual (light blue) and situational (dark blue) determinants. Their correlation with the willingness to blow the whistle is represented by a blue link if positive, a red link if negative, and a black link if nonsignificant ( $p$ -value  $> 0.10$ ). Solid lines indicate a more significant effect ( $p$ -value  $< 0.05$ ) and a thicker line indicates the strongest effect among all determinants.

The belief that another colleague would blow the whistle was, in turn, influenced by support from the institution

Situational determinants also had a strong influence on the second-order belief that the misconduct would be reported by another employee. In this case, however, it was the institution's support that had the greatest effect. Of the individual determinants, trust in other people best explains the second-order belief. In terms of the characteristics of the institution, it is interesting to note that employees of medium-sized institutions with between 50 and 250 employees had the lowest second-order belief that another employee would report the misconduct. A possible explanation is that while in large institutions with hundreds of employees it seems more likely that someone would act against such misconduct, in small institutions with a few dozen employees this assumption is based on more personal relationships with colleagues.

Diagram 2: The belief that someone else would blow the whistle is mainly influenced by situational determinants



Notes: The determinants influencing the willingness to blow the whistle are divided into individual (light blue) and situational (dark blue) determinants. Their correlation with the willingness to blow the whistle is represented by a blue link if positive, a red link if negative, and a black link if nonsignificant (p-value > 0.10). Solid lines indicate a more significant effect (p-value < 0.05) and a thicker line indicates the strongest effect among all determinants.

## FINAL RECOMMENDATIONS FOR PRACTICE

Based on a comparison of the stated willingness to blow the whistle among the survey groups, we suggest that the introduction of a trusted anonymous form that staff would be well informed about could support their willingness to report misconduct harmful to society. The anonymous channel is particularly relevant when employees fear retaliation (Kaplan et al., 2012). As a matter of fact, concerns about negative consequences in the workplace are present in almost three quarters of respondents, which supports the need for such a channel.

## **1. The whistleblowing option via an anonymous form can increase the number of whistleblowing reports**

Therefore, the WPO brought an anonymous form at its inception.<sup>6</sup> Similarly, several of such forms could be introduced, either in the form of an external channel on the competent authorities' websites, or in the form of an internal channel on the employer's website. On the one hand, it can be assumed that this whistleblowing method would be used more frequently through an external channel. On the other hand, creating an anonymous form directly with the employer could increase trust in the institution, leading to a higher willingness to blow the whistle (Seifert et al., 2014). Indeed, such a move could send a clear signal to staff that the institution supports whistleblowing. And, based on our analysis, this is a very important determinant in a potential whistleblower's decision making.

## **2. Financial rewards and compensation need to be set correctly**

On the other hand, setting financial incentives in such a way as to increase the motivation of potential whistleblowers can be much more challenging. Indeed, extrinsic financial motivation can in some cases crowd out intrinsic motivation to do the right thing (Rey-Biel et al., 2011). In such a case, the decisive role shifts to the amount of the financial reward or compensation and to the balance of the benefit it will bring versus the potential loss that the whistleblowing report may cause. Such a loss may be, for example, a loss of psychological well-being (McDonald & Ahern, 2002) or a loss of employment or social status (Mesmer-Magnus & Viswesvaran, 2005). This may be the reason why information about a financial reward or compensation did not lead to a higher willingness to blow the whistle. Indeed, the very phrase financial compensation implies that it is not profit but rather compensation for the costs incurred by whistleblowing. Even in a case where the potential loss caused by blowing the whistle equalled the potential gain, many people would probably prefer not to take any action.<sup>7</sup> Further research could therefore focus on comparing the effectiveness of different amounts of the financial reward or compensation with regard to the willingness to blow the whistle.

## **3. We recommend providing information on the investigation into corruption and harmfulness of corruption to society**

Nevertheless, this does not mean that whistleblowers should not be financially compensated for the loss of their income related to blowing the whistle in their employment. However, the amount of such compensation needs to be properly set and communicated to potential whistleblowers in a measured way, in the context of the potential risks they may face following whistleblowing. Indeed, whistleblowers often do not compare the gains and losses that may result from their whistleblowing or are not fully aware of them. When communicating with staff, we also recommend presenting positive examples of investigated whistleblowing reports and consequences drawn. As a matter of fact, confidence in investigating and stopping the misconduct harmful

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<sup>6</sup> Last year, as many as 10 out of a total of 35 whistleblowing reports were made anonymously (Whistleblower Protection Office, 2023).

<sup>7</sup> This is due to the unequal effect of loss and gain, where people are more discouraged by loss than they are motivated by gain of the same value (Oelrich, 2019).



to society correlates significantly with the willingness to report such misconduct. We identified the perceived gravity of the situation as another important determinant. On this basis, we recommend communicating with staff about the harmful effects of fraud and corruption in the workplace and the consequences they bear on the entire society.

#### 4. Further research is needed to analyse actual whistleblowing

In the future, we would like to continue with our research and look into aspects of stated and actual whistleblowing, as the determinants influencing intentions and actions may differ to some extent (Mesmer-Magnus & Viswesvaran, 2005). However, to do so, we would need to access anonymized data on existing whistleblowers or conduct a laboratory experiment to simulate the possibility of whistleblowing.

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## APPENDIX 1: EVALUATION OF THE QUESTIONNAIRE EXPERIMENT

In our analysis, we focused on the stated willingness to blow the whistle on a scale of 0 to 10, where 0 means that the respondent would definitely not report the misconduct, while 10 means that the respondent would definitely report the misconduct. We also looked into the expectation that another employee would report the misconduct, which was again measured on a scale of 0 to 10, where 0 means that they would definitely not report the misconduct, while 10 means that they would definitely report the misconduct. We evaluated the success of different forms of legislative protection and support using the following regression model:

$$Y_i = \alpha_0 + \alpha_1 * T_{1i} + \alpha_2 * T_{2i} + \alpha_3 * T_{3i} + \alpha_4 * T_{4i} + \varphi * X_i + \varepsilon_i \quad (1)$$

$Y_i$  expresses how likely the respondent is to think that he or she or another employee would report the misconduct,  $T_{1i}$  is an indicator variable for those respondents who were in the control group,  $T_{2i}$  is an indicator variable for those respondents who were in the group that received information about anonymous whistleblowing,  $T_{3i}$  is an indicator variable for those respondents who were in the group that received information about financial compensation and  $T_{4i}$  is an indicator variable for those respondents who were in the group that received information about a financial reward.  $X_i$  is a vector of control variables. Thus, parameter  $\alpha_0$  captures the average response to the question whether the respondent or another employee would report the misconduct in the group that received information on current legislation, while parameter  $\alpha_1$  captures the effect of the absence of such information, parameter  $\alpha_2$  captures the additional effect of information about anonymous whistleblowing, parameter  $\alpha_3$  captures the additional effect of information about financial compensation, and parameter  $\alpha_4$  captures the additional effect of information about a financial reward. Parameter  $\varphi$  captures the effect of various control variables.

Table 1: Evaluation of the questionnaire experiment

	First-order belief	First-order belief	Second-order belief	Second-order belief
Constant	6.28 (0.20) ***	1.53 (0.72) **	5.17 (0.19) ***	0.68 (0.70)
Control group	0.29 (0.28)	0.21 (0.22)	0.20 (0.27)	0.03 (0.22)
Anonymous whistleblowing	0.75 (0.28) ***	0.62 (0.22) ***	0.10 (0.27)	-0.00 (0.22)
Financial compensation	0.10 (0.28)	0.26 (0.22)	-0.48 (0.27) *	-0.39 (0.22) *
Financial reward	0.17 (0.28)	0.05 (0.22)	-0.18 (0.27)	-0.28 (0.22)
Female sex		0.10 (0.15)		0.07 (0.15)

	First-order belief	First-order belief	Second-order belief	Second-order belief
University degree		-0.24 (0.14) *		-0.17 (0.14)
Age in years		-0.01 (0.01)		0.00 (0.01)
Western region		-0.16 (0.15)		-0.03 (0.14)
Small municipality		-0.03 (0.19)		0.27 (0.18)
Large municipality		-0.29 (0.16) *		-0.22 (0.16)
Gravity of the situation		0.46 (0.04) ***		0.15 (0.03) ***
Support by the institution		0.16 (0.03) ***		0.32 (0.03) ***
Confidence in stopping		0.11 (0.03) ***		0.16 (0.03) ***
Small organisation		0.21 (0.18)		0.35 (0.17) **
Large organization		0.22 (0.17)		0.37 (0.17) **
Knowledge of whistleblowing		0.15 (0.03) ***		0.02 (0.03)
Participation in training		-0.27 (0.19)		-0.24 (0.19)
Trust in other people		0.05 (0.03) *		0.15 (0.03) ***
Personal integrity		0.09 (0.07)		0.05 (0.07)
Control over life		0.01 (0.04)		-0.05 (0.04)
Risk aversion		-0.11 (0.04) ***		0.03 (0.04)
Degree of individualism		-0.15 (0.05) ***		-0.04 (0.05)
Number of observations	932	932	932	932
Coefficient R2	0.01	0.39	0.01	0.38

Notes: The table shows the regression estimates based on equation (1), in which the dependent variable is a discrete variable, which takes the value of 0 to 10, where 0 means that the whistle would definitely not be blown, while 10 means that the whistle would definitely be blown. Columns (1) and (2) report regression estimates for the first-order belief that the person would blow the whistle themselves, while columns (3) and (4) report regression estimates for the second-order belief that another employee would blow the whistle. The indicator variables take the value of 1 if the respondent was in the relevant group and take the value of 0 if the respondent was not in the relevant group. We use the following control variables in the regressions: sex (takes the value of 1 for female sex and 0 for male sex), education (takes the value of 1 for participants with a university degree and the value of 0 for participants without a university degree), the age of the participant in years, the region (takes the value of 1 for the Bratislava region, the Trnava region, the Nitra region and the Trenčín region and the value of 0 for the Banská Bystrica region, the Žilina region, the Košice region and the Prešov region), indicator variable for a small municipality with a population of up to 2,000, indicator variable for a large municipality with a population over 20,000, gravity of the situation (takes the val-

ue of 0 to 10 according to the answer to the question about the perceived gravity of the situation), support provided by the institution (takes the value of 0 to 10 according to the answer to the question about the support provided by the employer and the supervisor), confidence in stopping (takes the value of 0 to 10 according to the answer to the question about whether the misconduct would be stopped following the whistleblowing report), indicator variable for a small organisation of up to 50 employees, indicator variable for a large organisation of over 250 employees, knowledge of whistleblowing (takes the value of 0 to 10 depending on how the participant rated their knowledge of whistleblowing), indicator variable for participation in whistleblowing training, trust in other people (takes the value of 0 to 10 depending on how the participant rated their trust in other people), personal integrity (takes the value of 0 to 10 according to answers to nine questions to rate personal integrity), control over life (takes the value of 0 to 10 according to the answers to two questions about perceived control over life), risk aversion (takes the value of 0 to 10 according to the answers to two questions on risk aversion or risk acceptance) and the degree of individualism (takes the value of 0 to 10 according to the answers to two questions on a preference towards individualism or collectivism). Standard deviations are in parentheses. The \* sign corresponds to a p-value of < 0.10, the \*\* sign corresponds to a p-value of < 0.05, and the \*\*\* sign corresponds to a p-value of < 0.01.

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