

The Role of Whistleblowers in Detecting and Preventing Employee Fraud in Licensed Commercial Banks in Sri Lanka: A Qualitative Study

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Abstract

Whistleblowers are an important party in uncovering frauds. This study was conducted to identify the role of whistleblowers in preventing and detecting employee fraud within the licensed commercial banks in SL. Further the research evolved around the main areas of perceived effectiveness of whistleblowing, motivational factors and the challenges faced by the whistleblowers in blowing the whistle. The research used a deductive thematic analysis to cod e the data collected through the in-depth interviews. With an in-depth interview of 21 executives from 7 licensed commercial bank, three executives from each bank, it was evident that although the perceived effectiveness of whistleblowing is high, there are rooms for improvement in whistleblowing policies, reporting mechanisms, reward, support, and recognition given to the whistleblowers. Further the interviews uncovered that employee awareness on whistleblowing needs to be improved. In conclusion, this research acts as a mirror, reflecting the current state of whistleblowing in Sri Lankan banks. It also serves as a compass, pointing towards ways to strengthen and fortify the system for the future. The key lessons learned stress the shared responsibility of organizations, regulators, and society at large to create an environment where whistleblowers are not just recognized but celebrated for their role in the ongoing fight against fraud. In simpler terms, it's a call to make whistleblowing not just an act of bravery but a celebrated and supported part of ensuring the integrity of our banking systems.

Keywords: Whistleblower, Employee Fraud, Detection, Prevention, Licensed Commercial Banks