



## Challenges of Whistle Blowing as a Corporate Governance Control Tool in the Zimbabwean Banking Sector During 2000-2008

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### Abstract

The objective of the research was to determine why employees avoid whistle blowing facilities established by the Reserve Bank of Zimbabwe and the Tip-Off Anonymous. Employees were aware of these unethical wrongdoings in the banking sector, the existence of these facilities could have alerted regulatory authorities and served the collapse of more than ten financial institutions. Of greater concern was loss suffered by innocent unsuspecting depositors. Data was obtained through a comprehensive questionnaire to randomly selected 104 managers and 208 employees from the banking sector. Data from the questionnaires were augmented by structured interviews. Descriptive statistics and qualitative and content analysis of open statements were used to analyze the data. The study showed that whistle blowing was known as an effective corporate governance control tool. Evidence gathered from the study points to lack of whistle blowing policies which could have contributed to silence or anonymously reporting wrongdoing in the banking sector. It also concluded that the whistleblowers' facilities lacked the confidence of whistleblowers which has seen them being ineffective. This study recommended for legislation of a national Whistleblowers Protection Act, creation of confidence building in the operations of whistleblowers' facilities, who should provide necessary guidance on independent legal advice.

**Keywords:** Whistleblowing; Corporate Governance; Zimbabwe; Banking Sector.

### 1. Introduction

The period 1998 to 2008 saw a boom and also unprecedented collapse of banking institutions in Zimbabwe. About ten banking institutions collapsed due to corruption and mismanagement from 1997-2008) in Zimbabwe. The closure of banks lead to the loss of customers deposits including their hard earned savings, loss of jobs, loss of confidence in the banking sector locally and internationally. Common causes of bank failure are excessive insider loans, corruption, poor governance, lack of an appropriate regulatory framework and risk taking by management. This paper aims to highlight how whistleblowing can be used as a corporate governance control tool to minimize mismanagement and expose corrupt behavior by management. Whistleblowing is a corporate governance control tool that can be used to minimize mismanagement and corruption in organization. (Lewis, 2001:1) defines whistleblowing as reporting on illegal and unethical activities in the work place. In workplaces across the world law, culture and practice give a strong message that employees should turn a blind eye to wrongdoing and should not raise their concerns internally and externally (Calland & Dehn, 2004:3). In Africa whistleblowing appears to be a new and alien concept as secrets are considered a family treasure, a practice rooted in the African culture. This culture has also extended to business. In Zimbabwe whistleblowing once took a national outlook when Tip off Anonymous was established in 1999 and administered by Deloitte and Touché. The Reserve Bank of Zimbabwe (RBZ), established the Whistle Blower Fund that was meant to reward financially those who exposed malpractice in the business sector and specifically focusing on the banking sector.

There has been an increase in the recognition of whistleblowing as a corporate governance tool to reduce fraud, corruption and bad corporate governance by improving the disclosure of information about such illegal activities thereby

enhancing the sustainability of organisations. (Appelbaum, Grewal & Mousseau, 2006) asserts that a potential whistleblower's choice is based on a combination of organisational, personal and situational factors, all of which can be influenced by culture. The RBZ established the external whistleblower's facility in 2003 with the main objective of addressing rampant corruption in the economy and to try and encourage whistleblower to come forward through a 10% incentive of amounts recovered as a result of the whistleblower's action. As (Masaka 2007:35) pointed out that "... this was done in response to the general corrupt tendencies and decay that has inflicted the moral fabric of Zimbabwe's business sector" In its monetary policy of the December (2004, p.159) the RBZ contented that "the costs to the economy's productive, commercial and social system of this development, no doubt are massive, and all this as a result of mostly individual greed, and an insatiable appetite for ill-gotten wealth". Despite its existence a number of banks collapsed or faced near collapse.

### 1.1 Objectives of the Study

This study sought to identify why employees and managers do not whistle-blow despite noticing unethical conducts, to avoid the failure of banks in Zimbabwe resulting in bank failures.

In addressing the main research objectives the following research question will be answered.

- Why did the RBZ whistleblowing facility fail to expose the unethical behavior in banks despite the attractive reward?
- Can financial rewards be an incentive for whistleblowing?
- What are the perceptions of people in the banking sector on whistle-blowing.
- Why do people opt to be silent despite noticing malpractices in their workplaces.?

### 1.2. Significance of the Study

The study makes significant contribution to new knowledge on why employees continue to be silent while banks collapse. There is need also to understand why employee may or may not like to blow the whistle on team members and/or colleagues. This is ground breaking research in Zimbabwe where financial services sector corruption is endemic. Of significance is that unlike limited companies bank failure are unique in that ordinary depositors both individual and corporates lose their money.

## 2. Review of Literature

Whistleblowing has originated from the practice of English police officers who would blow the whistle when they noticed the commission of a crime. The whistle would alert both the public and other law enforcement agents of the danger. Harris, Pritchard and Rabins (2009, p.179) say the "origin and exact meaning of the metaphor of whistleblowing are uncertain. In the Biblical times, when Esther, who was the Queen mother, heard of the plot to eliminate the Jews she blew the whistle on the leader of the plot, Haman, who King Ahasuerus ordered to be hanged before he executed his plan – Esther (Chapters 3 to 7).

According to (Lewis 2001: 1) "there is no universally accepted concept of whistleblowing" (Near & Miceli 1996) and (Lewis 2001) define whistleblowing as a dynamic process "involving wrong doer(s) who commit the wrongdoing; whistleblower(s) who observe the wrong doing, define it as such and report it. The definition acknowledges the existence of different players whether this was internal and external whistleblowing. Furthermore the definition does not view whistleblowing as a form of freedom of speech. (Martin 2010:23) quoting (Banisar 2006:4) asserts provides a more inclusive definition by saying whistleblowing was a means to promote accountability by allowing for the disclosure by any person of information about misconduct while at the same time protecting the person against sanctions of all forms. The paper also relates to internal and external disclosures and should apply to all organisations, public and private.

This definition brings out the essential elements that are critical for a successful whistleblowing structure or policy and of freedom of speech or expression. (Calland & Dehn 2004:74) asserts that a whistleblower reflects "an employee who exercises free speech rights to challenge abuses of power that betray the public trust."

Further (Calland & Dehn 2004:34) argue that when a whistleblower notices a wrongdoing he/she has four options/choices which are: "to stay silent; to blow the whistle internally; to blow the whistle externally; and to leak the information anonymously." The first option seems to have been the most preferred option by bank employees. This paper is mostly concerned about the first option, that of silence.

There are a number of behaviours which can be adopted by workers when they witness a wrong doing. Silence is the least risk for the individual employee who comes across wrongdoing at the workplace. (Calland & Dehn 2004:3) states that in workplaces across the world, law, culture and practice give a strong message that employees should turn a blind eye to wrongdoing and should not raise their concerns internally and externally. The author is simply referring to the option of silence.

Masaka (2007, p.35) suggested that the RBZ facility could have failed because “it appears as if the fund was established in order to give a false sense of action and commitment to Zimbabweans, foreign financiers and investors about Zimbabwe’s seriousness in clamping down on immoral business practices and other forms of corruption”. From the authors’ point of view it would appear that this was only taken as a political gimmick in order to score on the political front, and that there was no genuine effort to try and stamp out corruption. Lack of commitment in Africa is evidenced by the failure to ratify the Africa Union Convention on Preventing and Combating Corruption which was adopted in June 2003. The treaty has been signed by 39 of the 53 members of the AU and ratified by only 11 members. It does not go into effect until it has been signed by 15 (28%) countries (Banisar 2006). Similarly in the SADC region Zimbabwe is one of the 9 member states out of the 14 members that did not ratify the SADC Protocol against Corruption by July 2007. For this reason it can be concluded that lack of seriousness on establishing a whistleblowers protection act could have resulted in the fund being unpopular with potential whistleblowers and that the fund was viewed as a possible trap more so because of the reward attached to it. This has also put a dent on the efforts of the RBZ fund to get rid of corruption within the economy.

In the SADC region South Africa is the only country which has shown commitment to the protection of whistleblower by establishing the Protected Disclosure Act (PDA) which was passed in 2000.

### **Whistleblowers Taken as Professional Industrial Spies**

It can also be argued that paying whistleblowers may give an impression that they are doing so in order to get reward for the so called good deeds, in other words whistleblowers are considered as professionals who make a living of selling information. Masaka (2007, p.35) quoting (Kant 1724-1804) contents that blowing the whistle “because of the financial and celebrity status that accrues from such an action, though morally praiseworthy, is devoid of moral value because it does not proceed from goodwill... duty or doing what is right for its own sake, is the foundation of morality” and for this reason whistleblowers may be reluctant to come forward with information despite the rewards.

The legislative environment and key guidelines are key elements of the success or failure of the whistleblowing initiative. In 2004 the Reserve Bank of Zimbabwe established Bank Licensing, Supervision and Surveillance Guideline 01/2004 whose emphasis was to enforce good corporate governance in the banking sector. The guideline emphasises on, among others include good corporate governance practices. The Zimbabwe Anti-Corruption Commission (ZACC) was established through the Anti-Corruption Commission Act (Chapter 9:22) as a regulatory authority. . In Zimbabwe’s banking sector the facilities that were available for the anonymous whistleblower are Tip-Off Anonymous and the Bankers Association of Zimbabwe constitution.

Banisar (2006, p.42) states that “many anti-corruption laws are limited to the provision of receiving information and protection of people who disclose information on corrupt practices. The disclosure is typically handled by the anti-corruption commission. Hersh (2002, p.244) points out that “increased statutory regulation will not remove the need for whistleblowing, but could change its nature in regulated areas to providing evidence to regulatory bodies in support of legislation or regulations. This could reduce the likelihood of reprisals.”

### **Anonymous Disclosures**

This occurs where there are no safe internal routes for whistleblowing concerns to be raised openly and addressed properly. Calland et al (2004, p.8) asserts that “anonymous disclosure is one sent in a brown envelope or a message left on an answer machine, with little or no possibility of identifying or contacting the whistleblower or verifying the information.” In the year 2000 most organisations ran hotlines and suggestion boxes as a way to try and encourage whistleblowing through anonymous disclosures. Of concern is who will receive the anonymous information? The information may fall into the hands of the wrong person or the perpetrator. The problems with anonymous disclosure among others according to Calland et al (2004:8) are that, where the allegations are serious the accused will always try to identify the source, which could result in victimisation.

Mhonderwa (2011) observed that in Zimbabwe organizations have tended to use whistleblowing as a stand-alone issue mostly through the tip-offs anonymous facility. Research shows that whistle-blowing best results are secured when the tool is used as part of a comprehensive ethics management programme. The Tip Off Anonymous facility was established in early 1999 in response to an obvious growing requirement among major private and public sector organisations for a professionally managed outsourced and independent reporting service.

### **Lack of Transparency**

Whistle-blowers supply information with the hope that action will be taken to correct the anomaly and that such a facility would make public or inform relevant authorities so that action is taken timeously. Keeping the lead on such information will only discourage whistleblowing. Although this may be considered a noble idea it is the secrecy on the information supplied that may drive away whistleblowers from Tip-Off Anonymous. Sherron of Enron pointed out that “... you know you re doing the right thing by going outside the company; you can feel comfortable with your decision.” (Calland & Dehn, 200:68). The assertion here is that one expects action and the silence by Tip-Off Anonymous choosing to inform

its members do not help the organisations that it purports to represent. In other words the facility can only be viewed as part of the system to silence dissent in business.

### **Barriers to Whistleblowing**

Whistleblowers face a number of risks or barriers and may result in a complete change to their lifestyle. (Martin, 1999:19) had this to say about whistleblowers “the most common experience of whistleblowers is that they are attacked.” The barriers to whistleblowing are:

#### **Fear of Retaliation**

This can vary from minor harassment at the workplace to more severe consequences and may result in silence (failure to whistleblow). Sherron, a whistleblower in the famous Enron case, pointed out that “at the end of my tenure at Enron there was a lot of hostility towards me because people were afraid of what I might do next. It got to a point that no one would meet me without his or her lawyer present” (Calland & Dehn 2004:71; Banisar, 2006:13-19). The Enron case clearly shows that whistleblowers are distrusted by their colleagues.

#### **Duty of Loyalty and Confidentiality**

This is used largely by employers to silence employees. (Banisar 2006:15) points out that a traditional barrier in many countries is based on a duty of loyalty and fidelity to the employer this can prevent an employee from expressing an honest and helpful opinion. This view is also backed by Lewis (2001, p.10) who points out that “In relation to confidential information obtained in the course of employment, the common law again provides protection against disclosure through both express and implied terms. (Gini & Marcoux, 2011:41) argued that the question of loyalty between employee and the company “does not exist because company is a mere metal fiction, since it is a group. One would have obligations to the individual members of the company, but one could never be justified in overriding those obligations for the sake of the ‘group’ taken collectively.” The assertion here is that a company has no moral status except in terms of the individual members who comprise it and this means that the argument of loyalty can not be used as a barrier to whistleblowing.

#### **Lack of Management Support**

The biggest threat to whistleblowing is unsupportive management. The Enron case being is a classic example. (Kaplan 2001:42) had this to say about lack of management support for whistleblowers. In short, statutory protection for whistleblowers is only part of the equation, albeit an important part. Cultural change and top down support must accompany whistleblower protection laws in order for them to achieve their objectives. The Enron case is most cited regarding management behaviour towards regarding whistle blowing.

Interestingly some managers see whistleblowing as an inconvenience in company operations. (Gini & Marcoux 2011:41) quoted the infamous General Motors President, James Rouche, who said, Some critics are now busy eroding another support of free enterprise ... the loyalty of a management team, with its unifying values and cooperative work ... However this is labelled ... industrial espionage, whistleblowing, or professional responsibility – it is another tactic for spreading disunity and creating conflict”. From Rouche’s point of view not only is whistleblowing not ‘courageous’ and not deserving of ‘gratitude and protection’ but is considered to be destructive and not permissible. In other instances managers disapprove of the whistleblowing act.

#### **Co-Workers' Disapproval of Whistle-Blowing**

Another reason an employee may decide to refrain from whistle-blowing is because of the possible disapproval of co-workers. (Marianne, 2013). Stated in other words, many employees avoid whistle-blowing in order to maintain loyalty and the trust with the community and with fellow employees.

Evidence Against the Wrongdoer The closure of banks lead to the loss of customers deposits including their hard earned savings, loss of jobs, loss of confidence in the banking sector locally and internationally. Common causes of bank failure are excessive insider loans, corruption, poor governance, lack of an appropriate regulatory framework and risk taking by management.

If an employee knows of foul play but feels he cannot prove it, he will often keep quiet. He does not want to falsely accuse anyone or rightly accuse someone but have a manager disagree with him based on his lack of evidence, because this would hurt his credibility. “An indicator of whether or not an employee will feel comfortable whistleblowing has to do with how much evidence the employee has against the perpetrator (Marianne, 2013).

#### **Freedom of Speech**

Masaka (2007, p.37) quoting De George (2006:306) defines “freedom of speech as an inalienable right of humanity which they can make use of to expose corporate misdeeds in whatever way, and in whatever forum, they desire.” Freedom of speech involves free expression of one’s opinion, lines of thinking, viewpoint or ideas. This is important at

workplace, society and the nation at large as it is health for debate and enhances better and informed decision making. Banisar (2006:15) asserts that “there are also significant legal barriers to the unauthorised disclosure of information in many countries. These includes traditional notions of responsibility to employers, secretes acts and other laws. These laws are often used to punish whistleblowers and deter further ones from speaking out.

### Unchecked Unethical Practices

Masaka (2007:36) asserts that the reluctance of stakeholders in business to stem corruption and immoral practices in business is largely to blame for the failure of whistleblowing in Zimbabwe. Unethical practices such as fraud and corruption are like cancer, once they have been introduced in a system they cannot be treated easily and it becomes difficulty to whistleblow under such an environment. (Lewis & Uys 2007:709) asserts that “the induction mechanism argues that people use past actions as benchmarks when they evaluate new actions. Thus if the behaviour of others we observed in the past was ethical and acceptable, then similar or slightly different behaviours are also ethical and acceptable.” a view backed by Hersh (2002:250) who states that “the orgainisation may be dependent on the wrongdoing so that change would reduce profits or effectiveness.” This has been the situation in the Zimbabwe banking sector.

The success of whistleblowing lies in a number of factors more specifically, whistleblowing legislation has five major objectives according to (Kaplan 2001:39). Whistleblowing laws are now becoming more common in most countries. (Ibid 2006:39) contents that “to date; only a few countries have adopted comprehensive laws. These are laws that cover the protection of whistleblowers from both public and private and have a number of elements. Some countries have adopted whistle-blowers protections in a piecemeal fashion as the Zimbabwean case which saw the development of Tip-Off Anonymous, RBZ Whistle-blower’s fund and Zimbabwe Anti-Corruption Commission. These systems and processes were meant to reduce the rampant corruption and risk behaviour by senior managers and bank directors in Zimbabwe.

This section has provided a review of literature on the concept of whistleblowing and reasons for failure of the concepts amid increasing corrupt practices which actually call for whistle blowing promotion.

### 3. Methodology

For the purpose of this study both qualitative and quantitative methods were applied. Descriptive statistics was used to analyse the data which involved calculations of frequencies and means. In situations where data could not lend itself to statistical analysis, the content analysis approach was used .This was considered suitable especially where respondents either gave suggestions or expressed their opinion.

Both closed and open ended questions were included in the questionnaire. This helped to get a balanced view of the problem from different research subjects with different experiences and age groups which in turn impacted positively on the validity and reliability of the outcomes. The questionnaire was tested for validity and reliability. A pilot study was conducted with twenty questionnaires and feedback from the respondents helped to modify the questionnaire. A reliability test was done for the questionnaire and yielded a Cron Bach alpha of 76. In this study the sample population was drawn from the commercial banks in and around the City of Harare. There are 40 branches of various banks in Harare CBD area with a total of 1157 employees (population size) from these branches.

### Sampling Procedures

The probabilistic sampling method was used in coming up with the sample research subjects in particular the stratified (proportionate) random sampling. The proportionate sampling method was used to stratify the 312 research objects into 104 managers and 208 managers.

### 4. Results and Discussions

Forty Three percent of employees indicated that they witnessed unethical behaviour in their organisation such as corruption, insider trading, nepotism, fraud and insider loans etc, while 57% stated that they did not witness them. Prompted further on whether they reported the unethical events 52% indicated that they reported the cases while 48% indicated that they did not. It is clear that employees are witnessing these wrongdoings but some still chose to remain silent.

**Table 1: Shows the Percentage of Respondents Who Witnessed Wrongdoing and Reported**

Event	%	Event	%
Witnessed wrongdoing	43%	Reported the witnessed case	52%
Did not witness wrongdoing	57%	Did not report the witnessed case	48%



For those that reported unethical wrongdoings, 49 % indicated that they reported to their firms (using internal whistleblowing), 2% reported to the RBZ, 4% to the press, 1% to the Zimbabwe Anti-Corruption Commission, and 10% to Tip-Off Anonymous, in other words most of the respondents chose to whistleblow internally. It is however, clear that 51% of the respondents preferred external whistleblowing a situation that reflects negatively on internal whistleblowing policies in the banking sector or fear of reprisal by management.

The reported unethical issues witnessed were all (100%) relevant to the Reserve Bank of Zimbabwe and as the overall supervisor of the sector should have investigated the allegations. However, this could have been compromised by the allegations of over borrowing by the RBZ boss from some of these banks that the Central Bank is suppose to supervise hence the collapse of some of the banks.

For those that reported it was pertinent to find out why they whistleblow and 100% of the respondents indicated that they reported in order to save the bank from collapsing. This clearly shows that whistleblowing can assist in the survival of organisations. In the Enron case Sherron (the whistleblower) was “intent on helping the company survive ...I firmly believed that there was time to save the company (Calland & Dehn 2004:6)

For those who reported again it was also important to find out if they were treated fairly or not by their employer. Seventy five percent were treated unfairly according to their own assement while another 25% considered that they were treated fairly. Of the 75% that was treated unfairly 85% indicated that no action was taken against the culprits after they made the reports, 4% were reprimanded and 1% were dismissed but were reinstated. Mhonderwa (2011) asserts that “while some cultures do not see anything wrong in whistle blowing, others are very hostile to those who blow the whistle as they are instantly labelled traitors” and action can be taken against such people.

Of the 48% that did not blow the whistle the researcher wanted to find out the reason(s) why they chose the silence route. Silence of all forms is a stubborn virus, for which transparency is the prescribed vaccine (Sips, 2009:15). Indications were that 23% feared losing their jobs, 10% feared disciplinary action, 23% sited the Official Secrets Act as an impeachment, 11% indicated that it is the norm not to expose the organisation to outsiders, 11% indicated that they faced disapproval from workmates and 23% said they would rather remain loyal to their organisations. (Mhonderwa, 2011) contents that the “factors that tend to determine whether one blows the whistle or not are one's intentions, one's level of ethical reasoning and ethical standing, or the effect of culture ...” The other contributory factor is based on behaviour which was observed in the past that was unethical and acceptable, then similar or slightly different behaviours are also ethical and acceptable (Gino and Bazerman, 2009). The banking sector survived under such conditions for some time where banks transacted in non-core activities such as buying bricks, cars and other commodities for speculative purposes but still got away unpunished. The study has shown that the factors that other authors discovered as impeachment to whistle blowing will remain until measures to protect the whistleblower are enforced. (Hersh 2002:244) suggest that governments should encourage whistleblowing “as a class action in addition to protection for individual whistleblowers”

**Table 2: Shows Some of the Reasons for Not Whistleblowing**

Factor	%
Fear of loosing my job	23
Fear of being disciplined	10
Signed an official secret from	23
It's the norm not to expose the organisation	11
Disapproval from workmates	11
Stay loyal to the company	23

When the respondents were asked if their bank had informed them how to whistleblow to them (internally) 62% of the respondents indicated that yes they were told while 38% they were not. (Hersh, 2002:247) asserts that “suggestions for reducing external disclosures include the development of internal disclosure policies and procedures, with appropriate communication channels ... clear procedures for raising concerns.” For the 38% that were not informed they opted for external whistleblowing which can damage the image of the company. A view also shared by (Mhonderwa, 2011) who asserts that by knowing first, management can protect the organisation from needless damage of its reputation and loss of company assets.

For those that claimed that they were informed it was important to find out how (the medium of communication) they were informed 10% indicated that they were informed through policies while 90% were informed through notices. Ethics should be actively managed, and actively managing an organisation's ethics means implementing an ethics

program with the whistle blowing mechanism being a key factor of that effort” Mhonderwa (2011). The process of informing employees should be part of the ethics procedures

When the respondents were asked if they have seen any whistleblowers facilities’ posters or promotional materials at their workplaces 37% indicated that they have seen the promotional material while 63% indicated that they never saw such material. This shows that there is no interaction between the whistleblowers’ facilities and the constituency they claim to represent. In terms of the ZACC Act Chapter 9.22 clause 12(c) the body is suppose to “educate the public on the dangers of corruption in society”. The aim being to create rapport with the public which include bank employees and management, thus being visible to them. Tip-Off Anonymous on the other hand claims on its website that “client receive customised poster every three months.” It is either the posters are received by management and not distributed to employees, or they are posted on various notice boards but employees are not reading the notice boards. During visits to some of the banking halls of some banks the researcher did not come across whistleblowers facilities’ posters in the banking halls.

As a follow up the respondents were asked if the whistleblowers’ facilities have told them where to get independent legal advice should they whistleblow and the matter becomes messy and 100% of the respondents indicated that they were never informed. (Mhonderwa, 2011) legal protection of whistle blowers will protect them from lawsuits, harassments, job loss and unjustified demotions, and will secure compensation for those who suffer reprisals or victimisation as a result of revealing wrong doing at the workplace. It will give them the confidence they need to report company misconduct.

Asked if they got feed back from these whistleblowers facilities, 23% indicated that they got feed back while 77% indicated that they never got feedback. Whistleblowers are ‘action packed’ persons, they want to know what action would have been taken on issues reported. (Hersh, 2002) asserts that the most common negative response is inaction.

All respondents, including those that did not whistleblow, indicated that they are 100% principled individuals, have strong moral justice and believe in justice always, 68% indicated yes they have high level internal control while 32% believe that they didn’t have high internal level of control, 70% believed that they are satisfied more with their job than the pay while 30% believed that they preferred pay more than their work and 70% believed that it is more important to keep information within the group while 30% believed its is not important. (Hersh, 2002, :248) summarises the characteristics of a whistleblower as “principled individuals with strong moral convictions, high levels of moral development, and universal standards of justice.” Despite these strong characteristics prone to whistleblower bank employees remained silent while some of them were folding because of unethical behaviour.

The majority of the respondents indicated that there is need to protect people who report on any wrongdoing and that whistleblower’s facilities such as RBZ, Tip off Anonymous and ZACC should be more visible.

## 5. Conclusion

It can be concluded that whistleblowing as a corporate governance tool can be effective provided legislation to protect the whistleblower is enacted. it was also concluded that the main reason why whistleblower are reluctant to expose the unethical conduct in banks through the whistleblowing tool is the absence of a Whistleblowing Protection Act, retaliation, lack of management support, lack of confidence in the operations of whistleblowers’ facilities and lack of visibility by whistleblowing facilities. It was further concluded that silence can never be the best option to whistleblowing given the rate at which banks are collapsing which in turn affect the confidence in the economy at large. Respondents have recommended the need for the legislation of the Whistleblower’s Protection Act so as to give sufficient protection to whistleblowers. There is need to review some of the laws which impeach on the freedom of expression at work such as the Official Secrets Act, AIPA, Defamation Acts and others similar laws. There is clear evidence that these are being abused by powerful individuals for personal gains. Employers should give information to employees concerning the whistleblower’ facilities. The information could include the contact details of the facilities, their adresses, how they get information and any other essential information. This will ensure transparency and continued survival of the organisation. The sector is full of potential whistleblowers but they are not guided accordingly, employers should guide them for the benefit of the organisation. The study has shown that most prospective employers would rather not hire a known skilled whistleblower for employment. By blocking them employers are simply shutting out critical staff. Given the fact that unethical practices are rampnt in the sector as evidenced by the closure or near closure of some bank its important for the sector to have such individuals who may save the organisation from collapse. The Zimbabwe Stock Exchange should consider passing a regulation that all companies/organisations registered with it should have an ethics code which cover both internal and external whistleblowing. This will ensure that its memebrship remain strong as organisations will tend to survive for long and that organisations become self regulated..

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