

An Analysis of Indian Companies on Whistleblowing

M. Raghuraman

Department of Management
Amrita Vishwa Vidyapeetham University
Bangalore, 560035, India
raghuraman2294@gmail.com

Shekar Babu PhD

Department of Management
Amrita Vishwa Vidyapeetham University
Bangalore, 560035, India
sb@amrita.edu

Abstract

Corporate Governance deals with ways to deal specific aspects of effective strategic decision making to ensure efficiency as well as add value to shareholders. There are many aspects and dimensions within Corporate Governance, one of the important and relevant aspects is Whistleblowing mechanism in the current situation and scenario in India. Whistleblowing mechanism plays a crucial role in enhancing the Corporate Governance mechanism standards of the company, though it is not a mandatory mechanism as per Companies Act clause-49 requirement. Given the prevalence of corporate frauds, whistleblowing has become an important mechanism. Some of the largest frauds across the globe have been detected through whistleblowing mechanism. Despite the global recognition and importance given to the whistleblowing mechanism India has had very little success stories. The authors main objective of this paper is to study and analyze the specific aspects within Corporate Governance (CG). The present study explores and analyses the concept and the impact of whistleblowing in India. The authors also suggest remedies within the whistleblower program and how to protect the whistleblowers. The motivation for the authors to perform this study is to specifically focus on whistleblowing in the private Indian companies and compare them to the government owned companies. The researchers performed a thorough study of literature reviews and found the gap specifically in the area of whistleblowing within the private companies in India. The researchers also found that there have been limited studies that have been investigated across the globe and compared to the Indian context with respect to whistleblowing. The authors performed an exhaustive overview and review of more than 100 research papers on the broad areas of whistleblowing and found that there are limited studies that specifically analyze the private and government companies in India. The authors sample comprises a total of 100 companies which have 53 CPSE which are Government Owned and 50 private owned companies. The 50 private owned are the 50 listed companies from NIFTY-50 Index from the National Stock Exchange (NSE) of India and the 53 CPSE companies are the listed CPSEs companies from NSE India. The total 103 listed companies are across various industries and sectors and sub-sectors. The authors use the year 2018 for the study. The authors have resorted to primary and secondary sources of information for data. The primary sources of data are the Whistle Blowers Protection Act (WPA) 2011, Whistleblowers Protection Act (WPA) 2014, Right to Information Act (RTI) 2004, Public Grievances and the secondary sources of data are from various research papers, books, websites, annual reports and articles. The authors reviewed and analyzed all the complaints and the nature of complaints received by each of these 100 companies. The various natures of complaints were corruption allegations, improper conduct at workplaces, sexual harassment cases, financial impropriety and false employee credentials. The authors compared the nature of complaints between the private and governments companies and to explore and see if any particular type has more complaints. The authors in this study used the content analysis method to extract the Whistleblower

related information from annual reports and websites of the 100 listed companies in India and the collected information was analyzed. The paper contributes to the Whistleblowing literature as it presents evidence with whistleblowing complaints and the current policies and practices in a developing country like India.

Keywords

Corporate Governance (CG); Whistleblower; Private Sector; Government Sector; Whistleblowing; India;

Biographies

Mr. Raghuraman is a 2nd year student pursuing his MBA & MS Collaborative Dual-Degree program at Department of Management, Bangalore, India. He earned her B.Tech in Engineering from India.

Shekar Babu Ph.D. is the Founding Head, Department of Management, Bangalore Campus, AMRITA Vishwa Vidyapeetham University, Bangalore, India. Dr. Shekar holds a Bachelor of Engineering degree in Electronics and Communications from Bangalore University and a Master of Science (MS) degree in Electrical and Computer Science from California State University, Los Angeles and a Doctoral Degree in Strategic Management from Amrita University. He is a Management Consultant with over 25 years of experience in working with Price Waterhouse and Hewlett-Packard Co. His research areas are Corporate Social Responsibility (CSR), Corporate Governance (CG), Strategy and Social Development. He has taught courses in Marketing, Leadership, Management Consulting and Business Ethics.