

# Chapter 8

## Organizational Dissidence: The Case of Whistle-Blowing\*

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Consider an example of an increasingly common phenomenon: a disgruntled employee reports to the press that top management refuses to correct flaws in the construction or operation of its nuclear power facility. What is the appropriate response? The allegation could be ascribed to a ‘sour grapes’ attitude and discounted; the case might be ignored on the grounds that the flaws were minor ‘technicalities’, representing unimportant infractions that happen too frequently to be considered; or the complaint might be investigated and vigorously prosecuted, legally and/or organizationally.

Such cases recently have been dramatized in motion pictures, but they were based on incidents that actually occurred in America. All three responses were supported by different subgroups of the American public, reflecting a more general phenomenon: the unavailability of clear legal and organizational methods for responding to whistle-blowers.

Until recently the problem has been viewed exclusively from legal and policy perspectives. The courts have shown some inconsistency in their rulings on the rights of employees and employers in whistle-blowing cases (Ewing 1983; Malin 1983). Legislators have also considered the problem, with the result that a few states have passed in legislation to protect whistle-blowers (Malin 1983).

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The popular press has described famous cases, arguing both implicitly and explicitly for the development of public policy for defending responsible whistle-blowers (e.g., Ewing 1977; Nader et al. 1972; Peters and Branch 1972; Westin 1981).

Yet, the organizational implications have rarely been considered. There is a basic dilemma for any organization. The whistle-blower may provide valuable information helpful in improving organizational effectiveness; Clinard (1983) cites data showing that the prevalence of illegal activity in organizations is associated with declining organizational performance. At the same time, condoning the challenge of the organization's authority structure (specifically, the manager's right to make decisions) may push the organization into chaos and anarchy. Heller (1983) has documented the decline in authority of organizations and their leaders and its effects: reduced loyalty, commitment, and task performance. Thus, while some writers have encouraged organizations to consider the benefits of whistle-blowing (e.g., Ewing 1983), others have explored the threatening implications of whistle-blowing for organizations' authority structures and operations (e.g., Weinstein 1979).

If whistle-blowing is indeed on the rise, sparked by the consumer and civil rights movements and other factors (Ewing 1983; Westin 1981), then organization analysts require a theoretical framework for investigating the phenomenon (Farrell and Petersen 1982). The framework needs to be sufficiently specific as to allow predictions about whistle-blowing. The first step in developing such a framework is to recognize that whistle-blowing represents a process, rather than an event. We assume a process view, first defining the elements of the process and then suggesting a set of propositions for predicting the direction that the process will take, in a given organization. Our goal is to begin to develop a theoretical framework that will support systematic empirical exploration of an issue that is of increasing concern to organizations and managers alike. We know of no such framework of whistle-blowing *per se*. However, theories that have guided research in other areas within organizational behavior and organization theory are useful here. Since whistle-blowing involves the use of power in organizations and the actors' motivation to make whistle-blowing attempts, theories of power and dependency, and of motivation, are appropriate. Further, although there is little empirical research devoted exclusively to the whistle-blowing process, research on related topics, such as upward communication, is relevant in some cases. Therefore, we attempt to integrate this work into a preliminary model of the whistle-blowing process.

## Defining Whistle-Blowing

If whistle-blowing is to be viewed as a process, then it is clear that it involves at least four elements: the whistle-blower, the whistle-blowing act or complaint, the party to whom the complaint is made, and the organization against which the complaint is lodged. Earlier definitions of whistle-blowing were consistent with regard to the characteristics of some but not all elements.

## *The Whistle-Blower*

At least four defining characteristics of whistle-blowers may be observed. First, most authors, either implicitly or explicitly, have agreed that the whistle-blower must at some time be a member of the organization to which wrongdoing is ascribed (e.g., Farrell and Petersen 1982; Janis and Mann 1977; USMSPB 1981). However, the whistle-blower may leave the organization before blowing the whistle (Elliston 1982a). Second, the whistle-blower is an individual who lacks the authority to change the organization's activities; that is, the whistle-blower lacks a legitimate base of power for making the change and must rely on other informal bases of power (Elliston 1982a; Weinstein 1979). Third, it has been argued that the whistle-blower sometimes remains anonymous, as did Deep Throat of Watergate fame and as it currently encouraged through the establishment of 'hotlines' to the Inspectors General within many Federal agencies and departments. Anonymity may affect the nature of the whistle-blowing act and the credibility with which it is received; the ethical and practical implications of anonymous whistle-blowing are considered elsewhere (Elliston 1982a).

Fourth, although it has not been noted elsewhere, some whistle-blowers may occupy roles where such activity is prescribed. For example, internal auditors, ombudsmen, and others in 'overseer' roles may be officially required to blow the whistle if they observe certain kinds of organizational wrongdoing, although unofficial pressure may be placed on them to remain silent. A recent case involved a Defense Department auditor who charged that he was involuntarily transferred after he reported price-fixing by a federal contractor for aircraft parts (Columbus Dispatch 1983). In this case, the whistle-blowing was officially role-prescribed. Other organization members occupy roles lacking such specific prescription, although they may feel accountable in a general sense for the activities of their organization. Thus, whistle-blowers are current or former organization members or persons whose actions are under the control of the organization, who lack authority to prevent or stop the organization's wrongdoing, whether or not they choose to remain anonymous in blowing the whistle and whether or not they occupy organizational roles which officially prescribe whistle-blowing activity when wrongdoing is observed.

## *The Whistle-Blowing Act*

Blowing the whistle on an organization is an act of dissidence somewhat analogous to civil disobedience (Elliston 1982b). In Hirschman's (1970) terms, it represents expression of 'voice' by the dissident, as opposed to other methods by which dissidence might be expressed (e.g., exit from the organization). The whistle-blowing act has been variously construed as the giving of information concerning organizational activities that 'harm third parties' (Elliston 1982a) or "jeopardize the public interest" (Farrell and Petersen 1982). The activity itself may involve "misconduct,

neglect or irresponsibility” (Farrell and Petersen 1982); “corrupt, socially harmful or illegal activity” (Janis and Mann 1977) or “wasteful activities” (USMSPB 1981). Obviously, the illegitimacy of organization activities is in the eye of the beholder, namely the whistle-blower. “Legitimacy”, in the Weberian sense, refers to those activities which organizations have authority to commit. The basis of this authority is the acceptance by organization members and society that such organizational actions are appropriate (Weber 1947). If some segment of the organization members considers the activity illegitimate, then whistle-blowing may occur.

For example, some firms once required employees to buy their products, but this is no longer considered a legitimate organizational activity because employees refuse to accept the rule. Thus, although Weinstein (1979) describes whistle-blowing as an attempt to change the organization, this wide-ranging definition seems too general. When organization members attempt to change the organization’s actions which are legitimate, this is not whistle-blowing. The concept of legitimacy (again in the Weberian sense) therefore seems critical, if organization members report ‘wrongdoing’ which they believe to be illegitimate acts outside the organization’s purview to authority, then this is truly whistle-blowing. If the organization members simply provide suggestions to improve organization actions they dislike, this may represent some other form of dissidence.

We do not view whistle-blowing as an act of employee deviance. Whistle-blowing activities are not “unauthorized acts by employees which are intended to be detrimental to the formal organization”, such as theft, embezzlement, restriction of output, etc. (Hollinger and Clark 1982). Consequently, the deviance literature (e.g., Hollinger and Clark 1982; Johnson and Douglas 1978) may be useful in determining why organizational wrongdoing – which may trigger whistle-blowing – occurs, but that is not the focus of this paper. Although whistle-blowing itself may be viewed as deviant in some organizations, this perception is not consistent or generalizable; for this reason, it is best not to consider whistle-blowing as deviant behavior, unless information to the contrary is provided in a specific case.

### *The Complaint Receiver*

There is substantial disagreement concerning one of the elements of the whistle-blowing process, namely the nature of the person or agency who received the complaint. Most case studies (e.g., Nader et al. 1972; Perrucci et al. 1980; Weinstein 1979) focused on whistle-blowers who made their complaints public, by informing some person or agency external to the organization. It has been argued that this represents the only true case of whistle-blowing, because complaints that are voiced internally within the organization do not represent the same process (Farrell and Petersen 1982; Janis and Mann 1977). Yet, other authors (Elliston 1982a; Hirschman 1970; Nader et al. 1972; USMSPB 1981; Weinstein 1979; Westin 1981) have suggested that the complaint may be lodged internally, externally or some combination of the two; the process is largely the same so long as a complaint is made to someone

other than or in addition to the immediate supervisor. That is, making the complaint through other than prescribed channels (i.e., the chain of command) represents going public, insofar as all groups outside the immediate work group are viewed as the public.

Conceptually, the act represents a challenge to the organization's authority structure and therefore threatens its basic mode of operation; it is this characteristic which makes the spectre of whistle-blowing anathema to organizations (Ewing 1983; Weinstein 1979) since the authority structure represents the basis for operation of any organization (Weber 1947). Empirically, however, there is a question here: as Kolarska and Aldrich (1980) point out, both the process and outcome of the use of "direct voice" (i.e., appealing within the organization) may be different from those involved in "indirect voice" (i.e., going outside the organization). Further, without empirical substantiation, we cannot be certain that reporting within the chain of command is entirely different from other reporting. One's reporting of suspicious organizational activity to anyone may be sufficiently threatening: it demonstrates that someone is aware of wrongdoing and intends to stop it. Possible differences and similarities can be discovered only if all types of whistle-blowers are investigated in future studies, since they have not been studied in the past.

### *The Organization*

Any organization may be the target of a whistle-blowing attempt: large or small, public or private, young or old. The type of organization may affect its response to the attempt; preliminary indications are that public agencies respond somewhat differently than do private firms (Near et al. 1981). Perhaps more importantly, the nature of the organization's response may increase or decrease its own effectiveness. Ewing (1983) argues that those organizations that encourage valid whistle-blowing will gain additional information that may be used to improve their operations.

We, therefore, define whistle-blowing to be the disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action. We next consider the steps involved in this process.

### **Steps in the Whistle-Blowing Process**

The whistle-blowing event really represents a process comprised of four decisions made by the whistle-blower and the organization against which the complaint is lodged (Fig. 8.1). First, the observer must decide whether the activity observed is actually wrongful; that is, illegal, immoral or illegitimate. Observers are more likely to consider the activity wrongful if it conflicts with their own values or those stated by the organization and if the evidence concerning the activity is unambiguous.

Variables potentially affecting whistle-blowing and its outcomes			
Observer's Decision 1: Is the observed activity illegal, immoral or illegitimate?	Observer's Decision 2 (if the first question is answered affirmatively): Should the activity be reported?	Organization's Decision 1 (if the second question is answered affirmatively): Should the questioned activity be halted?	Organization's Decision 2 (if the second question is answered affirmatively): Should the whistle-blower be punished?
Variable potentially leading to affirmative decisions			
<ul style="list-style-type: none"> <li>- Individual values opposing activity</li> <li>- Unambiguous evidence</li> <li>- Knowledge of conflict with organizational norms, values standards</li> </ul>	<ul style="list-style-type: none"> <li>- Serious impact of observed activity</li> <li>- Adequate knowledge of complaint channels</li> <li>- Observer's personal characteristics (e.g., youth, internal locus of control, high self-esteem, high initiative)</li> <li>- Availability of employment alternatives and/or emotional support</li> <li>- No alternative action available</li> <li>- Belief that whistle-blowing would be efficacious</li> <li>- Belief that whistle-blowing would result in few personal costs</li> </ul>	<ul style="list-style-type: none"> <li>- Alternatives to questioned activity</li> <li>- High perceived likelihood of substantial costs associated with inaction</li> </ul>	<ul style="list-style-type: none"> <li>- Low dependence upon the whistle-blower</li> <li>- Frivolous charge</li> <li>- No alternatives to questioned activity</li> </ul>

Fig. 8.1 Variables potentially affecting whistle-blowing and its outcomes

Even under these circumstances, many observers do not blow the whistle. The decision to report the activity (Step 2) depends upon several factors. Whistle-blowers are likely to act only if the wrongdoing is perceived to be serious and if they know where to report it; further, they must believe that reporting it will be efficacious and that no alternative action would obtain the objective (i.e., discontinuation of wrongful action). Finally, whistle-blowers' personal situations must influence their decisions: whether they have alternative sources of financial and emotional support, what the costs will be to them personally, and whether their individual characteristics are such that they would be likely to take such a step.

Once the decision has been made to blow the whistle the organization must respond in some way. Conceivably it could do nothing; such inaction is likely to be perceived as very costly, however, and often it is costly in actuality. Given this problem the organization is confronted with the decision as to whether it should continue the allegedly wrongful action. It should be noted that there may be some dispute as to the legitimacy of the activity. What may appear illegitimate to some group of organization members, including the whistle-blower, may seem perfectly correct to the dominant coalition, because one of the two parties operates with a different set of decision rules or possesses additional information. Regardless of whether the whistle-blowing case is considered valid, the organization must take some action.

In the final step, the organization may decide to ignore the whistle-blower or to take steps to silence him. This may be quite legitimate, if the organization's dominant coalition believes the charge to be frivolous or invalid. It may reflect the inability of the organization to accomplish its objective through some other method, that is, no alternative action will accomplish the necessary ends. Finally, the organization may have relatively greater power over the whistle-blower (i.e., low dependence) so that the least costly strategy is to discredit her charge.

It should be noted that this whole cycle may be repeated in various forms. For example, some whistle-blowers make their complaint first within the organization (e.g., to an ombudsman) and, if no suitable action is taken then begin the process again by going public. Other whistle-blowers may go through the cycle and, having felt that the organization's retaliation against them was illegal, they begin the process again, but now blowing the whistle on a different misdeed, that is, their alleged victimization. Although variations in the process are likely, we argue that every whistle-blowing incident must follow this sequence of steps, in this order. Since the steps obviously require the passage of time, this also is an important variable; if the legal system becomes involved, the time period during which these steps are played out may be lengthy indeed.

We now consider in greater detail the factors influencing these steps.

## **Factors Influencing the Whistle-Blowing Process and Its Outcomes**

Several factors may influence whistle-blowing and its outcomes. These include motivation for action, the circumstances and individual characteristics affecting the power relations between the social actors.

### ***The Motivation to Act***

The observer of wrongdoing may be concerned with the potential efficacy of her actions, and with the level of expected retaliation. Efficacy has been called the perceived ability to influence (Gamson 1971). Farrell and Petersen (1982, p. 409) stated that "those who perceive their efficacy within the organization to be low will, in the long run, engage in little political behavior". Nader et al. (1972) proposed that observers who expect that they will suffer retaliation from management should be less likely to act than observers who do not. To understand the nature of these predictions, it is useful to draw upon motivation theory.

According to expectancy theorists (e.g., Vroom 1964), an individual's force to blow the whistle is a function of the perceived likelihood (expectancy) that outcomes such as managerial attention to the complaint, recognition of the whistle-blower's identity, public attention to the wrongdoing, etc., would follow action. Further, the

evaluation of the outcomes is a function of the extent to which each is instrumental in achieving outcomes having desirable or undesirable consequences (valences) for the individual. These outcomes could include the desired changes in managerial practices, as well as experienced retaliation, support (or lack of it) from family, friends, co-workers, or other observers. If an individual expected that his blowing the whistle would be likely to result in a cessation of wrongdoing – which he highly desired – and that he would likely not experience retaliation – which he wished to avoid – he would be more likely to blow the whistle than if the outcomes were reversed as to probability of occurrence.

In a reinforcement theory framework (e.g., Skinner 1953), the wrongdoing serves as a discriminative stimulus for action when similar wrongdoing (stimuli) have been consistently followed by successful opposition in the past and have been consistently followed by positive managerial reaction. If wrongdoing is tolerated or encouraged, and if previous whistle-blowing attempts have been met with retaliation, the wrongdoing setting serves only to signal ‘don’t act’.

These simple examples are based on assumptions that (1) efficacy and retaliation are the major outcomes pertinent to whistle-blowing decisions, and (2) that there are no conflicts in environmental cues. The results of a survey conducted by the United States Merit Systems Protection Board (1981) indicate that the first assumption is probably realistic, at least for federal employees. About 80% of the respondents (a sample representing 65% of the 12,000 randomly selected employees of 15 departments and agencies) noted that efficacy was one of the two most important motivating factors, and about 40% of the respondents chose protection from retaliation as another.

However, the second assumption is probably less realistic. How do observers of wrongdoing make decisions when the cues for action signal efficacy coupled with retaliation – or, a lack of probable efficacy but no retaliation? Near and Jensen (1983) and Near et al. (1983) found that perceived efficacy and willingness to file a future complaint were closely related to perceived change in managerial attitudes, but not to retaliation. Potential efficacy therefore, seems to be more important. It may be that efficacy serves as a necessary condition for action; if the situational conditions suggest that whistle-blowing will not be effective, potential retaliation becomes irrelevant. If the observer believes a complaint will be successful in changing the wrongdoing, however, then the observer considers the likelihood and nature of expected retaliation. From the expectancy and reinforcement models of motivation, we see that these beliefs are a function of the organizational environment (including the power relationships among actors and actions) and the individuals’ reinforcement histories or personality characteristics. Thus, those situational circumstances that suggest that whistle-blowing will be efficacious should generally evoke more whistle-blowing than circumstances that suggest otherwise. Such circumstances pertain to whether the objectionable viewed as act is clearly wrongful, whether the observer knows about efficacious complaint channels, and the degree of seriousness in the alleged wrongdoing.



### *Circumstances Surroundings the Questionable Activity*

An antecedent to whistle-blowing occurs either when (1) an act committed by at least one member – or outsider whose actions are under the control of the employer – is viewed by another member as wrongful; or, (2) outcomes perceived to be wrongful by one member result from inaction by another member or connected outsider. Without these antecedents, there is no discriminative stimulus for whistle-blowing. For the observer to be efficacious, he will need to assure that at least some powerful others will perceive an act as wrongful; if he blows the whistle on an act that no other would question, no change will be forthcoming. The whistle-blower – by definition – does not have the power to correct the perceived wrong himself. Therefore, the degree of clarity or ambiguity in the stimuli surrounding the triggering situation (hereinafter referred to as ‘wrongdoing’) may determine how an observer behaves in response to it. Observers may be reluctant to notify authorities if they have not directly observed the organization’s wrongdoing, or if they are not sure that the action was wrong, according to personal, reference group, or societal standards.

Further, individuals who lack knowledge concerning appropriate channels of complaint may not act (Kolarska and Aldrich 1980). An awareness of complaint channels would increase the force to act, because the channel has been established as a vehicle for change. The publicized existence of a potential complaint recipient within the organization cues the observer that correction of wrongdoing may be desired by organizational leaders; hence, whistle-blowing would be efficacious. It may also convince the observer that she personally would not be personally punished. Knowledge of extra-organizational channels would stimulate whistle-blowing by signalling that society desired and would support legitimate whistle-blowing. However, to the extent that the observer distrusts the capacity of the complaint receiver to effect a change, the perceived efficacy will be reduced, as will the force to act. The degree of trust is a function of environmental events known to the observer, such as the experiences of other whistle-blowers, the backlog of complaints, the stated views of top management, and other events.

If whistle-blowing through the chain of command is viewed as communication of problem matters, Gaines’ (1980) findings are relevant. She found that ambitious subordinates who trust their superiors exhibit more upward communication on problem matters than do other employees. Given that greater trust and confidence results when subordinates perceive the leader to be successful in upward interactions (Jones et al. 1975), we expect that greater trust would be associated with higher perceptions of efficacy and more use of internal channels of whistle-blowing.

The perceived seriousness of the wrongdoing observed may have an impact on whether it is reported within or outside the organization. In both cases, the degree of seriousness of the wrongdoing increases perceived efficacy, and hence the force to act, because serious acts are more likely to be perceived both by the observer and others as worthy of attention and potential change. Evidence of this linkage has been provided by Clinard (1983), whose interviews with executives revealed that they were more supportive of whistle-blowing when the acts were viewed as

seriously wrong. Glausser (1982, p. 19) noted that “relevant and important messages, as perceived by the subordinate, tend to be communicated up the hierarchy more frequently than irrelevant and unimportant messages”. An observer of wrongdoing considering ‘going outside’ may also perceive that public support may be withheld if the complaint is not serious and important. Thus, we expect few external complaints to involve minor or poorly substantiated incidents. Therefore,

**Proposition 1:** *Whistle-blowing is more likely to occur where: (a) observers of wrongdoing can verify that questionable activity has occurred; (b) it is viewed as clearly wrong by the observer; (c) there exist known complaint channels; and (d) it is seen as serious and/or recurring, than when none of these conditions is met.*

**Proposition 2:** *Observers will be more likely to blow the whistle when such action is expected to result in the desired change in managerial behavior (i.e., is efficacious), than when it is not.*

**Proposition 3:** *Observers will be more likely to blow the whistle when they believe that the wrongdoing they witness is of sufficient importance that they are prepared to endure retaliation.*

**Proposition 4:** *Organizations can modify the observer’s stated beliefs and other behavior by encouraging or discouraging whistle-blowing in policies and actions; that is, observers of wrongdoing will be more likely to blow the whistle when the organization climate is conducive of dissidence.*

### ***Individual Characteristics***

Characteristics that individuals may bring to the organization affect the whistleblower’s decision to blow the whistle. One factor that would seem to be critically relevant to the individual’s determining (1) that an act is wrong, and (2) that he should take action to correct it, is the individual’s level of moral development (e.g., Kohlberg 1969). Dozier and Miceli (1984) have described evidence that suggests that individuals with higher levels of moral reasoning would see different activities as wrong than would other observers, and that they would be more likely to blow the whistle.

Personality factors, such as self-esteem, may play an important role (Farrell and Petersen 1982; Janis and Mann 1977). Observers who have low self-esteem may be apathetic about most organizational activities or may withdraw from situations; they would be less likely to blow the whistle than would persons with adequate self-esteem (Kolarska and Aldrich 1980). They may not perceive that they would be believed or that they could motivate others to bring about change. Thus, their perceptions of efficacy would be lower given the same environmental conditions. The individual who has an internal locus of control (LOC) may also blow the whistle when his or her external LOC counterpart would not. There are several reasons for this prediction. According to Rotter (1966), internal LOC individuals believe

themselves to be largely in control of their outcomes, while the external LOC individuals believe that fate, luck, or chance determines much of what happens to them. Internal LOC's may see whistle-blowing as a step they must take to control an activity they cannot sanction, while external LOC's may see the questionable activity as controlled by powerful others, whom they cannot stop. Thus, internals' expectancies that they would be efficacious would be more pronounced than would externals. They may also downplay the likelihood of managerial retaliation, since they are less likely to attribute their fate to powerful others. Spector's (1982) recent review of studies of LOC's in organizational contexts revealed that externals may also be more compliant to authority, which suggests further that they would not blow the whistle. In a review of the literature on upward communication in organizations, Glasser (1982) proposed that internal LOC's would engage in more upward communication than would externals. Thus, internal LOC's should be more likely to blow the whistle within the organization, i.e., to use 'direct voice', than would external LOC's.

Males may be more likely than females to blow the whistle; the reported case histories have been dominated by males. This may be a function of personality characteristics of the populations; males may, for a number of reasons, have higher self-esteem, a more internal locus of control, and/or more initiative than do females. Males may also have more opportunities to observe wrongdoing, because as a group they are more widely distributed across different job categories than are females, who tend still to be occupationally segregated. Finally, there is evidence (e.g., Costanzo and Shaw 1966) that females tend to conform more to a majority opinion than do males. If whistle-blowing is viewed as behavior deviating from majority opinion, then females should be less likely to blow the whistle than should males.

**Proposition 5a:** *Whistle-blowing is more likely to occur when observers of wrongdoing are male and have high self-esteem, an internal locus of control, and a high level of moral reasoning, than when they do not.*

**Proposition 5b:** *Internal LOC's will be more likely than external LOC's to attempt whistle-blowing through channels within the organization.*

## ***Power Relations***

Greater understanding of the whistle-blowing process requires an understanding of other variables affecting both (1) the motivation of an observer to blow the whistle and (2) the responses of powerful others to the complaint. A power-dependency framework provides a basis for understanding these variables.

Since whistle-blowing is a political action an organization member may take against an organization (Farrell and Petersen 1982), it should be described in the context of the power relations it entails. Power, according to Emerson (1962), may be defined as the inverse of dependency. Therefore, individuals or units are said to have power within their organizations when the organization depends on them (Hickson et al. 1971).

The whistle-blowing process always involves two sets of social actors: the organization members who blow(s) the whistle and the organization. Predictions as to how the process of whistle-blowing will play out must be based on the degree of dependency of each social actor on the other. The behavior of each social actor involved will vary as a function of dependence on the other (i.e., the whistle-blower on the organization and the organization on the whistle-blower) and the dependence on the situation (i.e., ability to change behavior or resist change in behavior). The whistle-blower's power in the situation depends on her relationship to the organization and the nature of change being suggested.

If a serious, clear case of wrongdoing were observed, the observer's actions would likely be affected by two factors, according to Emerson's (1962) theory of power (see also Pfeffer and Salancik 1978): the criticality of her dependence on the organization and the availability of alternative sources of support. Compliance to the organizations's objectives is thus not merely a function of moral development (e.g., Kohlberg 1969) or need to comply with authority (e.g., Milgram 1955) but rather a response to dependence on some other social actor.

Since the psychological and financial rewards employers provide are critical to nearly every employee (that is, they need these rewards to survive), we agree with Farrell and Petersen (1982) in that we expect whistle-blowing to occur with greater frequency when employment alternatives are perceived to be available and acceptable than when they are not. The whistle-blowers's perception of the employment opportunities is critical, since some may underestimate these opportunities and others may overestimate them.

Younger employees may be more likely than older employees to blow the whistle. Older employees tend to have a high personal investment of resources (such as time) in their organization and they may suspect they risk losing their "investments" and their future outcomes (Farrell and Petersen 1982). Senior employees' low turnover rate (Porter and Steers 1973) may attest to this.

However, younger employees with "lofty executive ambitions" (e.g., who wish to advance their careers in the organization) may be less likely to blow the whistle (Hacker 1975, p. 7). Glausser (1982, p. 8), citing Athanassiades (1973, 1974; see also Maier et al. 1963; O'Reilly 1978; Read 1962; Roberts and O'Reilly 1974), argued that employees who had "high mobility aspirations engage in more communication with their superiors, and are more precise and accurate about important task matters", than are other employees. However, he also reported (p. 9) that research conducted in non-organizational settings suggested that subordinates would "tend to withhold and/or distort information which is bad news for the superior". Since the superior may punish the subordinate who reports the bad news of perceived wrongdoing, by thwarting the subordinates' career progress, this second finding would appear to be particularly relevant for the 'fast track' junior employee. Such an employee is very powerless relative to the junior employee who does not have such aspirations and is willing to exit the organization.

Although some researchers have posited that observers who feel a great sense of loyalty or commitment to the organization may decide against whistle-blowing (Kolarska and Aldrich 1980), Farrell (1983) has found conflicting results on this point.

In some cases the employee may view whistle-blowing as disloyal because it involves criticism; in other cases the employee may believe that the dominant coalition does not know about the wrongdoing so that informing them may reflect greater loyalty than not informing them. Westin's (1981) earlier in-depth examination of case studies supported this point, as noted by Baker (1983). The great majority of corporate whistle-blowers considered themselves to be very loyal employees who tried to use 'direct voice' (internal whistle-blowing), were rebuffed and punished for this, and then used 'indirect voice' (external whistle-blowing). They believed initially that they were behaving in a loyal manner, helping their employers by calling top management's attention to practices that could eventually get the firm in trouble.

This research calls into question the nature and causes of loyalty. Loyalty itself is not a 'personality characteristic'; it is more properly viewed as a function of the interactions between employee and employer. Other employees may feel indebted to (and hence, relatively powerless in relation to) their employer. As suggested by equity theory (e.g., Adams 1963) indebtedness can arise from the employer's bestowing of rewards on employees to a greater extent than either they believed they deserved, or they believed another employer would provide, leading to a perception of few employment alternatives. Thus, while an observer may, at the time of the initial complaint, feel a great deal of loyalty, she may change her views of the employers and the situation after experiencing the outcomes of direct voice. Thus, we expect that early in the process whistle-blowers – especially those whistle-blowers using 'direct voice' exclusively – should express a great deal of loyalty. Later in the process, if the whistle-blowing attempt has been unsuccessful in terms of its halting the wrongdoing or retaliation, we expect lowered self-reports of loyalty.

Observers with social and/or financial support from family or friends are also more likely to blow the whistle (Janis and Mann 1977; Weinstein 1979); in fact, one study of whistle-blowers found that virtually all had received emotional support from family or friends (Near et al. 1980). Provision of alternative sources of support from spouses or other family members thus decreases the dependency of the whistle-blower on the organization.

Observers who are members of professional groups whose norms support whistle-blowing may feel sufficient support to take action (Janis and Mann 1977; Perrucci et al. 1980). We also expect that a high unemployment rate in the observer's relevant labor market (determined by industry, geographical location, or occupation) will chill whistle-blowing, because it is an indicator that fewer employment alternatives are available. Since the unemployment rate for professional employees is generally lower than the rate for non-professionals, they may also have more alternative sources of financial support.

**Proposition 6:** *Whistle-blowers are likely to be less dependent on their employers, relative to other employees: This should be reflected in their lower age, aspiration, and experience levels; their expressions of loyalty to persons or institutions other than their employer, such as professional groups; their higher levels of support from family or friends; and the rates of employment in their relevant labor markets.*

## Dependence on the Whistle-Blowing Channel

Observers of wrongdoing will blow the whistle if they are dependent on this form of political action, i.e., if they believe that the organization's behavior must be changed and alternative methods are not perceived to be available. When individuals believe they are directly harmed by a policy or practice (e.g., as in the case of unfair employment discrimination or unsafe working conditions), they may be more likely to act than those who would act 'in the public good' or in support of their professional norms (e.g., engineers who wish to prevent the production of unsafe goods: Perrucci et al. 1980). We predict that they will choose external whistle-blowing rather than internal whistle-blowing when internal complaints have failed, when they fear the results of internal complaints, when they believe that internal complaints will not be as effective in changing the situation, or when they do not know the procedure for making internal complaints (Kolarska and Aldrich 1980). Their dependence upon external, public channels may result from their observation that the organization rarely changes without scrutiny; and/or that public backing will likely provide them with greater influence in changing their organization's behavior (Farrell and Petersen 1982), with protection from retaliation (Elliston 1982a), or with financial support or cost-sharing (e.g., EEOC may act as one's attorney; individuals hearing of the case may send money or letters of support).

**Proposition 7:** *Whistle-blowing is more likely to occur when observers of wrongdoing are highly dependent on the method of whistle-blowing as a form of political action; that is, when they feel that alternative actions are not possible.*

## The Organization's Dependence

An organization may respond to the whistle-blowing attempt in several ways (Parmerlee et al. 1982). It may acknowledge and correct the wrongdoing, and reward the whistle-blower for providing useful information. It may attempt to coopt the whistle-blower, to buy compliance. It may isolate the whistle-blower from others, to prevent the flow of information to the individual and the communication of observed wrongdoing to others. The organization may challenge the credibility of the whistle-blower, thus decreasing the amount of public attention received. Finally, the organization may retaliate in a punitive way, as an example to other would-be whistle-blowers (Kolarska and Aldrich 1980).

The organization that is dependent on a whistle-blower, because she is critical to operations or not easily replaced, has less freedom to retaliate against the whistle-blower than against a whistle-blower who is less critical. The powerful whistle-blower may exit from the organization, taking with him knowledge and experience valued by the organization. Further, a powerful organization member may have higher credibility. The organization may be more likely to acknowledge and correct wrongdoing alleged by a credible observer, perhaps because its leaders may fear the observer's credibility will evoke public support for the complaint. One previous

investigation of this relationship (Parmerlee et al. 1982) used crude measures of organizational dependency and yielded mixed results.

The perception that organizations are dependent may also affect the observer's decision to blow the whistle. In a laboratory study in which subjects assumed the role of inequitably treated employees, Martin et al. (1983) found that subjects who were told that their position was critical to the organization were more likely to attempt to fight the inequity than were subjects given other information. This effect occurred regardless of the magnitude of the perceived wrongdoing. However, criticality covaried with other 'mobilization resources', and the effect occurred with respect only to 'less legitimate' means of fighting, e.g., work slowdowns. The uses of 'indirect voice' and other types of 'direct voice' were not tested. Thus, the degree of organizational dependence may play a role both in the individual's decision to act and the organization's decisions to respond, but more precise testing is needed.

Structural characteristics of the organization may also be related to the degree of organizational dependence on the whistle-blower. The role of structural characteristics in upward communication, although infrequently investigated (Jabin 1982), is discussed by Glusser (1982). Several appear to be related to the size of the organization. Large organizations are presumably less dependent upon any one individual than are smaller organizations, because it may be easier for large organizations to reassign the responsibilities of an employee who has exited. The upward communication literature (see Glusser for a review) provides evidence that distance between parties to a communication and the number of sequential 'links' it must travel, inhibit communication flow. Further, it may be more difficult for large organizations than for small organizations to communicate the existence of established channels for reporting wrongdoing. Finally, whistle-blowers may feel greater loyalty to smaller organizations and therefore choose to blow the whistle internally, since this action may be less damaging to the organization. Thus, we would expect that fewer 'direct voice' or internal whistle-blowing attempts would be made in a large organization than in other organizations. Further, large organizations, as a result of their lesser dependence on the whistle-blower, will be more likely to retaliate against whistle-blowers than will small organizations.

**Proposition 8a:** *Organizations are more likely to engage in reprisal against the whistle-blower when they are not highly dependent upon the whistle-blower, because the whistle-blower is powerful or the organization is small.*

**Proposition 8b:** *Large organizations that are less dependent upon the whistle-blower will experience fewer internal whistle-blowing attempts than will organizations that are highly dependent on the whistle-blower.*

### **The Organization's Dependence Upon the Questioned Activity**

The organization's response to the whistle-blower is likely influenced by the criticality of the questioned method of operation (i.e., whether it is necessary for survival) and the availability of alternative methods of operation. For example, a multinational

corporation may find that it is expected to bribe local officials of a foreign country, in order to be allowed to operate sales offices in that country. If it is impossible to find other legal methods to substitute for the bribery (for example, offering jobs to the children of these officials), it will resist changing its questionable behavior. It has been found that organizations are more likely to engage in illegal behavior when they require the resources so obtained because their environments are not munificent in providing the resources (Staw and Sz wajkowski 1975). Further, the criticality of the wrongdoing may determine the degree of threat to the organization; the higher the degree of threat, the more likely the organization is to punish or silence the whistle-blower (Weinstein 1979).

The costs imposed by an informed public may alter the criticality of the questioned activity, however. For example, if an organization learns via an internal whistle-blower that one of its products may cause injury to individuals, it may halt production to avoid the risks of consumers' litigation that might follow external whistle-blowing. Thus, the formerly critical activity becomes more costly potentially than alternatives.

The organization's dependence on the questioned activity is likely to enter into the observer's decision to blow the whistle, although its influence may not be as easy to trace as in the case of the organizational response to whistle-blowing. Where the observer believes that the organization is dependent upon the wrongdoing, and thus, unlikely to alter its behavior, the observer may be less likely to blow the whistle. Therefore, the effects of these factors may be difficult to disentangle. Nevertheless:

**Propositions 9:** *Organizations are more likely to refuse to halt wrongdoing and to engage in reprisal against the whistle-blower when they are highly dependent upon their wrongful behavior.*

## **Toward a Research Agenda**

Research regarding whistle-blowing has been hampered by two problems: lack of a theoretical framework for interpreting the phenomenon and lack of appropriate methods for observing the phenomenon. Because whistle-blowing is a function of the individual's characteristics and reinforcement history, the environment within the organization, the external environment(s) in which the organization and the individual operate, and interactions among them, predicting its occurrence and effects is complex. The propositions given above represent an attempt to predict this process; methodological problems in potential tests of these propositions are considered below.

### ***The Need for Multiple Methods***

To date, empirical studies of whistle-blowing have relied almost exclusively on case studies, which may limit the generalizability of findings so obtained. Results from



two survey studies have proved inconsistent with those obtained in case studies. Nader et al. (1972) argued that the threat of retaliation would prevent would-be whistle-blowers from taking action. Yet Near and Jensen (1983) and Near et al. (1983) found, using survey results, that whistle-blowers' beliefs that they would take the same action again were uncorrelated with their experience of retaliation. The use of case studies in this particular field may be even more risky than usual since there is no possibility of finding a 'typical' whistle-blower. Each case is unique, when it comes to whistle-blowing.

While case study results are limited in generalizability, survey results also suffer from three serious limitations with regard to the respondents: (1) they rely on recall to reconstruct events that may have occurred some time earlier; (2) they provide the only measures of their own behavior and of its antecedents; and (3) they speculate as to why they behaved as they did. The potential for error inherent in this method is obvious.

To eliminate these problems, laboratory studies of whistle-blowing might be used. The major difficulty here is in designing a study wherein subjects react to a wrongdoing action in the same way that they would if exposed to such an action in 'real' organizations.

Field experimentation is virtually impossible as many organizations would resist investigation in such sensitive areas. Company records are unlikely to yield data concerning organizational climate or consequences of action or inaction. Archival data cannot identify would-be whistle-blowers and why they decide not to act. Any investigation focusing on one or a few organizations is suspect regarding generalizability, especially when the organization has volunteered to participate (see Campbell and Stanley 1966).

The problem is not easily resolved. Studies utilizing multiple methods to explore the validity of results obtained are needed. Secondly, researchers must recognize that field studies should include a wide variety of different types of whistle-blowers. Some initial studies of homogeneous samples of whistle-blowers have been completed; these provide a standard against which heterogeneous samples may be compared. At this time no statistics concerning the whistle-blowing process are available (e.g., the incidence or success rate). Thus, we lack even the most rudimentary information about the effect of whistle-blowers on organizations.

Obviously, multiple approaches are required for studying whistle-blowing. A second possibility is to follow the steps recommended by McKelvey and Aldrich (1983) for organizational research. Following their argument, a taxonomy of whistle-blowers should be developed and an effort made to study whistle-blowers falling into the various categories (i.e., in separate and independent studies). While whistle-blowers do undoubtedly differ from one another, the discovery of any systematic similarities among categories of whistle-blowers would depend on comparisons within such categories. Unfortunately, since the focus in this research must be the interactions between two social actors (or so we have argued), probably a separate taxonomy should be developed to classify the organizations involved as well. Research then should focus on the various cells of the matrix created by combination of the two taxonomies, one for the whistle-blower and one for the organization.

First steps in this direction are seen in the research efforts focusing on a type of whistle-blowers – complainants in sex discrimination cases (e.g., Parmerlee et al. 1982) – and in studies of whistle-blowers in public agencies, a type of organization (e.g., Miceli and Near 1984). However, the typologies implicit in such classifications have not been developed in any systemic (i.e., taxonomic) way, nor have any studies to date focused on the interaction between type of whistle-blower and type of organization. Research along these lines would better support the development of theory concerning similarities across types of whistle-blowing cases that also recognizes the unique nature of each whistle-blowing incident.

## Conclusion

Whistle-blowing in organizations is an issue which has only recently received public attention and systematic study. There are various reasons for earlier inattention: lack of public concern with whistle-blowing perhaps linked to low relative incidence of whistle-blowing; the focus of organization theory on explaining stability in organizations, and compliance to authority, rather than change and noncompliance (e.g., Benson 1977; Pfeffer 1981); and the difficulty involved in studying a problem which lacks either a well-developed theoretical framework to support it or an obviously appropriate research method to facilitate its exploration. Availability of data concerning such sensitive issues has also been a problem (Ewing 1980). By proposing an empirically testable model, we hope to stimulate more concern with the whistle-blowing process, its causes and its effects for the social actors involved.

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