

Chapter 2

Possible Outcomes for Whistleblowers After They Speak Out



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2.1 Introduction

Whistleblowers who act to stop wrongdoing and report these actions both inside and outside of the organization to attract other people's and society's attention have a crucial role in whistleblowing process. As a result of this action, whistleblowers do not always have benefits when they speak out. They sometimes accepted as heroes and sometimes as enemies. The organization cannot behave in a positive manner to the whistleblowers in case this protest damages the corporate reputation. Each organization has different corporate cultures, therefore according to procedures and norms as part of organizational culture, it can be used to punish whistleblowers. They can face different negative consequences such as retaliation, blacklisting, dismissal, harassment.

This study is attempting to understand the importance of whistleblowing from the perspectives of whistleblower cases all around the world. This paper is organized as follows: First of the part of this paper, whistleblowing and whistleblower definitions were given, and then, consequences for whistleblowers after they report were discussed and lastly stories about whistleblowers in different countries in the world were analyzed and investigated by giving comparison among cases.

2.2 Definition of Whistleblowing

Whistleblowing has been defined from different perspectives; therefore, numerous definitions about whistleblowing have been done by researchers and scholars in business ethics and management area (Malek 2010, 116). For years, researchers are writing about whistleblowing in order to understand the effects on people, organizations, and societies (Lewis 2011, 71). In general, whistleblowing is "the disclosure by

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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” (Miceli and Near 1985, 4). This is the most commonly accepted definition in almost all studies. It is also a voluntary and moral protest by who are willing to correct such misconduct (Domfeh and Bowole 2011, 335). Thus, whistleblowing can be approved as an act of organizational commitment and organizational citizenship behavior rather than disloyalty and deviation (Lewis 2011, 71). By this way, whistleblowing behavior enhances distributive and retributive justice and fairness (Waytz et al. 2013, 1027). Therefore, whistleblowing behavior is a complex and complicated dilemma between the societies’s utility and whistleblowers’ commitment to the organization (Mansbach et al. 2012, 307).

According to the definition about whistleblowing, blow the whistle is a kind of report about wrong things in the organization (Davis 2012, 531). Related study on a large military base of Near et al. (2004), several types of wrongdoing for whistleblowing were defined: stealing, waste, bad management, unsafe situations, sexual harassment, discrimination, and illegal practices (Dasgupta and Kesharwani 2010, 59). If we want to analyze deeply of the definition, there are some elements in the explanation of whistleblowing: sharing information and communication with other parties, usually voluntary activity, focusing on wrong behaviors, and reaching corrective outcome (Mac Nab et al. 2007, 7). There are also some kinds of areas based on whistleblowing decision-making process. These are observations of the wrongdoing, factors that moderate whistleblowing intention and behavior, whistleblowing behavior, and reactions to whistleblowing (Chen and Lai 2014, 2). For whistleblowers, it is not only an act for observing and reporting the behavior, but also correcting misconduct is the main purpose of this action (Lewis 2011, 72). It is also important to determine who is affected and harmed from this action and what wrong behavior in the organization is.

2.3 The Role of Whistleblowers in Whistleblowing Process

About the definition of whistleblowing, there are several parties as whistleblower, wrongdoer, complaint recipient, and organization itself involved in whistleblowing process (Caillier 2013, 1021). In this process, whistleblower is a person who speak out and report the wrongdoing both inside (internally) of the organization and also outside (externally) of the organization (Bjorkelo et al. 2011, 207). Miceli and Near (1985) also give a definition about whistleblower: “Occupy organizational roles which officially prescribe whistleblowing activity when wrongdoing is observed” (Ball 2005, 5). Due to moral motive, the whistleblower is accepted as the moral hero who protects society (Vandekerckhove 2011, 22). In another study, Miceli and Near (1992) state that “whistleblower is to an official on a playing field, such as a football referee, who can blow the whistle stop the action” (Johnson 2003, 4).

Whistleblowers who are sometimes viewed as courageous people and heroes of the organization mostly share the information with internal parts of the organization

(Read and Rama 2003, 354; Kelly and Jones, 180, 181). By this way, whistleblowers are also separated as internal whistleblower and external whistleblower. Internal whistleblowers report unethical behavior to an entity inside of the organization as ethics ombudsman or top management, while external whistleblowers report this kind of behaviors to an entity outside of the organization as law enforcement, government, and media (McNab and Worthley 2008, 408; Dasgupta and Kesharwani 2010, 58). External whistleblowers prefer to report outside of the organization in case this wrong behavior threatens the public and the members of this society.

Whistleblowers believe that they should share this information with people who have power to change and stop this illegal, immoral, and unacceptable situations (Miceli et al. 2009, 379). First contact is their managers for whistleblowers to correct the wrong behaviors (Lewis 2006, 77). If we want to make comparison between internal and external whistleblowing, in the case of external whistleblowing, employees can gain more support from the outsiders than insiders (Hedin and Mannsson 2012, 159). If we make analysis between wrongdoer and whistleblower, whistleblower has better position and education than wrongdoers; therefore, he or she is more likely to blow the wrongdoing (Gao et al. 2014, 3). Based on power theories, high skilled and valuable employees are more successful to stop the wrongdoing (Bjorkelo et al. 2011, 209). According to the study of MacNab and Worthley (2008), self-efficacy—related to one's capability to accomplish a certain level of performance—influences the internal whistleblowing behavior in the organization. Therefore, we can say that these employees are also highly competent and respected people.

Some employees can be aware of truth about the business issues, but they do not always want to prefer to share this information with other people especially with top management (Park and Keil 2009, 902). Sometimes, employees may prefer to keep quiet instead of speak out when they make cost-benefit analysis. They may think of psychological and economic costs and benefits of the behavior (Keil et al. 2010, 791). According to the definition of organizational silence, it was defined as “The collective-level phenomenon of doing or saying very little in response to significant problems or issues facing an organization or industry” (Kelly and Jones 2013, 186). According to the Albert Hirschman, when an employee feel that something go wrong in his or her organization, he or she have alternative plan for the action: Sound- voicing about dissatisfaction, loyalty- commitment to the organization and job, exit- have an intention to leave from the organization (Hedin and Mansson 2012, 153).

2.4 Consequences and Cases about Whistleblowers in Different Cultures

There are some kind of risks and negative outcomes for whistleblowers. Therefore, they need to identify and weigh these possibilities (Philipsen and Soekon 2011, 743). Any statistics about the results of the whistleblower behavior were identified as 90% of them were later fired or demoted, 27% faced lawsuits, and 26% had psychiatric

and physical care (Fountain 2013, 20). Some whistleblowers met with the decrease in salary, promotion, and tenure (Malek 2010, 117). Thus, reporting wrongdoing and unethical actions to the other people at work consists of risk and blacklist (Bjorkelo et al. 2011, 207).

The whistleblower expects that when they try to blow the whistle, they want to take positive reactions from management, but sometimes retaliation from top management can occur (Uys 2000, 259). Management policies can create isolation and discrimination between employees. The retaliation definition has been used as an outcome of a conflict between an organization and its employee, in which members of the organization attempt to control the employee by threatening to take, or actually taking in response to the employee's reporting, through internal or external channels (Regh et al. 2008, 222). It can occur in different forms such as dismissal, blacklisting, suspension, harassment, and transferring to another place by punishing them (Domfeh and Bawole 2011, 334). Therefore, whistleblowing is associated with risk for employees who witness and report the wrongdoing (Firtko and Jackson 2005, 52). On the other hand, as a negative consequence for whistleblowers, the organization seems whistleblowing behavior as betraying of the organizations' interests (Uys 2008, 906).

Whistleblowing behavior does not always result in negative outcomes for employees in the organization who speak out (Mecca et al. 2014, 161). If employees feel that they were supported and protected by corporate culture, their intention about whistleblowing will increase (Teo and Casperz 2011, 238). Also if he or she feels obligated and responsible, again the intention to blow the whistle will more likely increase (Keenan 2007, 87). Taking approval, support, and respect is the positive reactions to the whistleblowers (Hedin and Mansson 2012, 159). Supportive culture represents empathy, understanding, listening, and respecting to the feelings (Sims and Keenan 1998, 412).

When employees are empowered, they may more likely to blow the whistle due to increasing skills and abilities. In general, whistleblowers are committed to their job, organizational moral values, and the organizational goals, and because of their sensitivity and personal responsibility, they may choose to pursue ethical responsibility and report this wrong action both inside and at the end outside of the organization (Tsahuridu and Vandekerckhove 2007, 109–116). Ethical climate, participatory management, reducing bureaucracy might increase willingness to blow the whistle (Rothwell and Baldwin, 2007, 356). Stansbury and Victory (2009) stated that young and low tenured employees are less likely to blow the whistle on the misconduct, because they perceive less informal prosocial control (Gottschalk 2011, 70). As a result, antecedents of whistleblowing can be categorized as individual and situational factors that affect whistleblowing behavior. Individual factors can be categorized as job performance, organizational position, pay level, education (consistent factors) and gender, age, tenure, and job performance (inconsistent factors); situational factors can be categorized as perceived support, organizational justice, organizational culture, organizational performance, and organizational resources (Vadera et al. 2009, 555).

Studies suggest that among the cultures there are some differences about whistleblowing intention. Some cultures have more positive tendencies than other ones (Keenan 2002, 80). By understanding of Hofstede's culture dimensions, whistleblowing behavior can be predictable based on the cultures of the world (Tavakoli et al. 2003, 50). There are four dimensions of Hofstede's cultural classification: power distance, uncertainty avoidance, individualism, and masculinity. From the cultural perspectives, whistleblowing tendencies may be influenced by individualism and collectivism (Park et al. 2008, 931). Employees who are the member of culture in low individualism and high collectivism have more responsibility, and when they observe wrongdoing in their organization, they are more likely to prefer speak out.

The Time Magazine on December 30, 2002, three women whistleblowers against large organizations as Cynthia Cooper of World-Com, Coolen Rowley of the FBI, and Sherron Watkins of Enron are selected "person of the year" (Regh et al. 2008, 221). At first, they prefer to share information with their executives, and then, their warnings reach to outside of the organization and press. As a result of these actions, Watkins and Cooper were not hired again and they initiate in their own companies, and also, Rowley was not promoted and FBI retired her (Malmstrom and Mullin 2014, 30).

In Sweden, specifically public servants anonymously have the right to blow the whistle, but on the other hand, because of whistleblowing behavior civil servants' status can be decreased, and at the end, they can lose their jobs (Hansson 2012, 4).

In 1973, Stanley Adams was a product manager of Roche in Basel. He discovered documents which indicated that the company was involved in price-fixing to inflate the price of vitamins. He complains his company to European Economic Community. EEC had a faulty to keep Adams' name. He was arrested and charged. His wife committed suicide due to his position. After Adams released in six months, he fled to UK (Ole Baekgard 1984).

Mordechai Vanunu was Israeli nuclear technician. In 1986, he revealed details of Israel's nuclear weapons program to the media. He was arrested and spent 18 years in prison. After he completed this period, there were obstacles on his speech and movement, but he violated these restrictions by giving interviews to the media, and therefore, he sentenced again because of violations.¹

Jeffrey Wigand became a well-known whistleblower in 1996. He told the truth what he saw and observed as the head of research and development in Brown-Williamson Tobacco Corporation. He stated about his company that manipulated its tobacco mix to increase the amount of nicotine in cigarette smoke. Russell Crowe portrayed Jeffrey Wigand in a film—The Insider.²

One of the most current news about whistleblowing is Edward Joseph Snowden's story in 2013. He was an American computer professional in NSA (National Security Agency). While he was working there, he noticed government programs involving

¹http://www.huffingtonpost.co.uk/2013/06/10/edward-snowden-whistleblowers_n_3414345.html#slide=2551247; <http://www.theguardian.com/commentisfree/2014/apr/20/israel-mordechai-vanunu-hero-edward-snowden>).

²<http://www.jeffreywigand.com/bio.php>.

the NSA spying on American citizens. After that, he began to copy top secret NSA documents while at work and share these thousands of classified documents with media. He has been called as hero, whistleblower, or patriot. Now, he lives in an undisclosed location in Russia.³

There are also some Canadian whistleblower cases who try to expose serious misconduct, incompetence, and corruption.⁴ Edgar Schmidt sued the federal government for failing to take adequate steps to verify whether proposed bills violate the Canadian Bill of Rights and the Canadian Charter of Rights and Freedoms.⁵ He was a senior lawyer at the Federal Department of Justice. Schmidt was earning between \$120,000 and \$160,000 per year; today, he does not work for the government. He does not have any regret about his whistleblowing action.⁶

2.5 Conclusion

Whistleblowing is an act of reporting shortcomings to correct the problem in the organization. It occurs when some unethical and illegal issues happen and some kind of people-whistleblowers tries to stop wrongdoers in order to terminate wrongdoings in the organization. Whistleblowing is usually accepted as an effective management and ethics management tool for the organization. Therefore, in ethic management, whistleblowers have high responsibility when they are compared with other employees in the organization. The fundamental role of whistleblowers in the organization is to report the wrong behaviors for right moral reasoning.

The purpose of this chapter is to investigate the whistleblowers' position all over world after they blow the whistle. Examining whistleblowers' situation is so important because of negative image of this role in the organization.

There are numerous whistleblowing cases which are resulted in restricting, protection of employees and public interest, practicing laws, and regulations. However, blowing the whistle includes potential and actual risks for whistleblowers. Therefore, one of the important risks is retaliation to whistleblowers. People who behave as whistleblowers are trying to build their new lives, pursuing a new career in a new organization, or staying in prison for years. There are some differences in whistleblowers' attitudes and behaviors between different countries. If we want to make a comparison about whistleblowers' position after they share the information, we should analyze cultural orientation of nations. When we look at the cases about whistleblowing and the position of whistleblowers, usually they meet with negative results.

³<http://www.biography.com/people/edward-snowden-21262897>; http://en.wikipedia.org/wiki/Edward_Snowden.

⁴http://fairwhistleblower.ca/wbers/canadian_wbs.html.

⁵<http://www.cjfe.org/resources/features/update-canadian-whistleblower-edgar-schmidt>.

⁶<http://www.nationalmagazine.ca/Articles/November/The-whistleblower.aspx>.

It is needed to change negative attitudes toward whistleblowers. Other people in the organization may not support to whistleblowing and whistleblowers themselves if their corporate culture does not approve that this kind of behaviors is acceptable. Companies should make effort to encourage and at the end protect their whistleblowers. Top management and managers should provide training and continuous improvement to help them about making decision in blowing the whistle. Employers can take proactive approaches to prevent their employees from discrimination and retaliation. By doing this precautions, employers and employees can have more positive results for them and their organizations.

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