

## **Whistleblowing – a psychological perspective**

**By Birgit Westermann – Winter and Dr. Henry Vos**

Picture the following current situation: a senior executive's (who had helped build a company to the point where the company was experiencing phenomenal growth and recruiting more senior and experienced staff) life changed irrevocably when he became aware of internal irregularities. He blew the whistle and in retaliatory action he was immediately suspended by the Managing Director. A legal battle ensued to the financial detriment of both the company as well as the senior executive. The intimidation and retaliation that the senior executive experienced as a result of his whistleblowing resulted in such adverse impact on him as well as his family life, to the point where he started doubting whether his course of action was the right one, was it "worth it" and whether his values were not perhaps "negotiable". The organisation suffered enormous setbacks as clients and staff alike became aware that "something" was wrong. To date the situation is to the knowledge of the writers unresolved.

The phenomenon of whistleblowing has been extensively researched and theorised about. Whistleblowing is defined as: "a form of pro-social behaviour that occurs when an employee reports organisational wrongdoing to an authority able to implement corrective action" (Binikos, 2006), "as the unauthorised disclosure of organisation wrongdoing to those who are perceived to be in a position to take action (Uys, 2008), whilst Camerer (2001) describes it as (a) bring an activity to a sharp conclusion by the blast of a whistle according to the Oxford English Dictionary (b) raising a concern about malpractice within an organisation or through an independent structure associated with it, according to UK Committee on Standards in Public Life (c) giving information (usually to the authorities) about illegal or underhand practices according to Chambers Dictionary and (d) exposing to the press a malpractice or cover up in business or government office according to US Brewers Dictionary.

The importance of whistleblowing has contributed to the promulgation of the Protected Disclosures Act no. 26 of 2000 (or PDA) in South Africa which makes provision for procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by their employers or fellow employees and provides protection for employees who raise concerns internally, reinforcing and protecting the right to report concerns externally provided that there is a valid reason for going wider and that the particular disclosure is a reasonable one.

Apart from the above cited legislation, whistleblowing as an occurrence has also contributed to (in some instances) various organisational systems being developed to encourage proper communication (invariably by organisational members) and especially commitment by management to the whistleblowing process. Anonymous hotlines, mail boxes with respect for confidentiality and various practices to minimise wrongdoing have also been introduced. Simultaneously various workshops have been offered on whistleblowing as “ethical risk management” and has led to the encouragement of organisations to develop whistleblowing policies and procedures.

The focus of this article is to share a case study on the occurrence of whistleblowing from the perspective of a relationship that had deteriorated to such an extent that one party (the whistleblower) started to experience frustration and disappointment in the other to such an extent that some action in the form of whistleblowing was deemed necessary. The level of loyalty that had existed previously and the continuation of a fruitful, productive joint commitment had become jeopardised. In order to relate this fractured relationship to the relationship that develops between employees and organisations, it is necessary to briefly consider the goal and purpose of organisations, often referred to as its vision and its mission and expressed in the form of strategic goals and objectives, requiring a range of people skills and capacity along with an expected requirement of people values such as honesty, integrity, respect and trust.

Organizations are invariably regarded by prospective employees at the establishment phase as legitimate and trustworthy.

During the initial stages of the development of the relationship, organisations as well as new employees experience a process of socialisation requiring enormous learning by the employee (new tasks, new relationships, new workgroups, policies and procedures etc). Organisations generally utilise various induction programmes and learning experiences for the newcomers.

Successful socialisation by the employee, results in acceptance of the organisation, high levels of work involvement, motivation and work commitment and a decision to remain with the organisation by the employee.

Organisations on the other hand, signify their favourable reception of the employee by providing positive feedback during performance appraisals, creating opportunity for more challenging assignments and promotion, salary increases and disclosing organisational trade secrets that would only be entrusted to a person regarded as a prized colleague. This relationship is often referred to as a positive person-organisational fit – a match between an employee's knowledge, skills, abilities, occupational and career needs and that required/offered by the organisation (or organisational attributes).

A part of this fit also implies a matching of values by the two parties. Values have been defined as "enduring beliefs about modes of conduct that are personally preferable" (Rokeach, 1973). Value attainment can be described as comparing one's life activities (and goal orientation) to some predetermined standard of success, i.e. what a person wants to achieve – what people believe to be important and what goals they wish to pursue. Therefore person-organisation fit can be expressed as a "values based fit".

The mentioned match and successful socialization can be referred to as a relational contract which includes loyalty.

At the root of the deterioration of the employment relationship (match) it could be postulated that certain “role expectations” that manifested itself in the relationship are not met. Role expectations refer to the prescriptions held by both parties regarding the positions of both employee and employer. These expectations reflect the conception of each other and their (employee as well as organisation) requirements including preferences with respect to specific acts, things an employee and an organisation should do or avoid and ideas about what the employee and the organisation should be or not be or should believe or not believe. However when the person-organisation fit is jeopardised especially as a result of conflicting values, it could also be defined in terms of role conflict implying that the sets of expectations are oppositional by definition and furthermore implying that the person-organisation fit (values based fit) is under risk.

In the event of a “one sided” perception of a “mismatch” as a result of the employee’s interpretation of organisational actions as “wrongdoing” (invariably reflecting conflicting values), the employee is faced with a number of action alternatives. The employee could choose to distance him/herself from the relationship by resigning (“involuntarily” resignation), or they could remain in employment and attempt to bear with the wrongdoing, or they could confront the wrongdoing by voicing their concerns internally or externally (whistleblowing). Should the employee decide to remain in employment, it is generally driven by a sense of loyalty, whilst voicing concerns (especially externally) is experienced by the employee as a breach of loyalty which in turn can be interpreted by the organisation as a form of betrayal.

As an example of the above explained values based fit, the case in point as described in the introduction to this article further unfolds: Unhappy suppliers complaining about delayed payment of invoices and queries about the ability to pay staff salaries prompted \*David, a senior executive and director of the company to approach his business partner, \*Giles (the majority shareholder and MD) where he raised serious concerns, querying why the company finances were in overdraft.

David, being responsible for business development, knew that the business should be in a fairly healthy financial position and therefore able to meet its financial commitments.

The background to David's direct approach is as follows: Over the past few months David had attempted to initially informally raise his concerns and later more formally voice his dissatisfaction with the way in which the organisational finances were being managed. Giles's responses varied from initial commitments that the situation was in the process of being rectified to being mildly irritated with David's persistent queries and eventually culminated in a confrontation where Giles reminded David that he (Giles) "was the majority shareholder and as MD he could run the business as he pleased" and if David was unhappy, he "could leave". Concerned that the relationship was deteriorating David suggested a mediator to facilitate the difficulties in the relationship. Giles refused as he believed that they could resolve the issues without assistance.

As the relationship further deteriorated, David became increasingly exasperated, and their vast differences in goal orientation and organisational vision became particularly clear during a company strategy meeting. David however convinced himself that, if he put his head down and continued to deliver on his mandate that their differences and approach to business would become less polarised and they would find a way to work together. So the partnership settled into an uneasy truce as they both needed each other. David also noticed that the staff had become aware of their differences and for the sake of the common good he relaxed on raising his concerns and high standards of what he believed was values driven behaviour.

The proverbial final straw for David resulted when Giles indicated that staff increases were to be frozen for a period of time due to lack of cash flow whilst David was fully aware of the extent to which Giles was in an apparently reckless manner spending and mismanaging company funds. The employees were unhappy at the apparent insensitivity but were afraid for their jobs and so did not voice their dissatisfaction directly.

David, being fully aware of the company financial status expressed his concern to Giles who in turn told him that he “was out of line...that he would be dealt with and that he (David) should never tell him (Giles) what to do...” Realising that his concerns were falling on deaf ears and that he had exhausted all internal attempts at resolving his concerns, David was prompted to seek external legal counsel. Victimisation and a series of retaliatory actions soon followed and included David being suspended; being threatened with further disciplinary action, being removed as a Director of the company and on pay day, his salary, as well as other benefits was not paid.

Under the Protected Disclosures Act 26 of 2000 (PDA), a disclosure is protected if: the disclosure contains information about impropriety and the disclosure has been made to the right person, according to the scheme established by the Act. The PDA applies to people at work raising concerns about crime, failure to comply with any legal duty (including negligence, breach of contract, and breach of administrative law), miscarriage of justice, danger to health and safety, damage to the environment, discrimination and the deliberate cover-up of any of these. It applies to concerns about past, present and future malpractice (Government Gazette no 21453, 2007). David’s action of whistleblowing can be deemed a protected disclosure.

According to the PDA, any occupational detriment that the employee who made the disclosure subsequently suffers as a result of the disclosure will attract a legal remedy. Occupational detriment is very widely defined by the PDA and includes harassment, dismissal, suspension, disciplinary proceedings, transfer against the will of the employee, non-promotion, a denial of appointment, or otherwise adversely affected (Government Gazette no 21453, 2007). According to the PDA, Giles’ retaliatory actions within this context can be constituted as “occupational detriment”.

People who are victimised in breach of the Act, whether they are dismissed or not, can refer a dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation and

thereafter to the Labour Court. (Government Gazette no 21453, 2007). Presently David is considering approaching the CCMA.

The question remains whether a situation such as experienced by David in his relationship with Giles could have been avoided? With reference to the whistleblowing phenomenon, it need to be noted that both parties initially did “need” each other and managed to establish a good employment relationship, but, as in the case of a proverbial deteriorated marriage that failed, neither party managed to have predicted the possibility of deterioration. It is also questioned whether the organisation (or the employer, in this case, Giles) had considered and realised that its actions were regarded as wrong and a manifestation of a contradicting value system in comparison to that of the employee. Likewise as in the case of David it appears that Giles failed to have appreciated the attempts by David to communicate his concerns.

From the above description of the relationship between employees and organisations as well as the realities of the situation faced by David in his relationship with Giles, it is suggested that organisations should, as a matter of urgency consider an orientation of the dynamics (including values based fit) of the relationship which is established between employees and organisations. Organisations should also develop and appreciate the importance of adhering to sound values based business practices.

It is believed that a disregard of sound organisational values can lead to whistleblowing. Whistle blowing is often a last resort to protect clients or employees, or to avoid ruining the organization.

Loyalty to an unethical organization violates the inherent inclination of values driven employees, such as their need for honesty and truth, self-determination, and mutual respect.

A values driven culture provides a framework for analysing and managing conflicts and mismatches. It is suggested that organisations cultivate a regular values analysis and craft an appropriate values

policy to maintain good values, establish values committees, integrate values structures with all organisational systems like rewards systems, procurement of staff, training and development, performance appraisal, production and operations, marketing practices, financial management, etc.

Finally, all executives including CEO's and MD's need to maintain organization's values and set the moral standard through leading by example.

\*Due to issues of confidentiality, names have been changed.

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