

WHISTLEBLOWERS: IS IT SAFE TO BLOW THE WHISTLE?

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Abstract

Is it safe for anyone to blow the whistle? Through quantitative research of secondary data including numerous academic articles and journals, as well as qualitative research collected through interviews, it seems as though that the safety of whistleblowers is anything but guaranteed under current whistleblowing protection policies. Because of this, whistleblowers are forced to endure a hostile environment despite the fact that they provide an invaluable role as independent watchdogs against illegal, immoral, and illegitimate practices conducted by certain institutions and organizations. By proving without a shadow of a doubt that the life of a whistleblower is both difficult and dangerous, the hope of this study is to shed light on this troubling issue to bring further attention to the inadequate laws and policies in place that are supposedly meant to protect them.

Keyword: whistleblowers, hostile environment, watchdogs

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Introduction

Being a whistleblower in this day and age is undoubtedly a risky business.

Whistleblowing takes a lot of courage for an individual to come out and tell the truth even if the truth means losing their jobs, or worse (Dussuyer & Smith, 2018). It absolutely cannot be understated how important a whistleblower's involvement is in cases concerning various branches of government as well as both the private and public sectors (Call, Martin, Sharp, & Wilde, 2017). Without their involvement, there is no telling how much copious amounts of corruption within these institutions would remain unchecked. Yet, despite all the good they provide society, and the laws set in place to guarantee their protection, the environment whistleblowers find themselves in once they have exposed the truth does not seem to be all too hospitable. This begs to ask the research question:

RQ: Is it likely that a whistleblower will face consequences if they expose sensitive information within an institution or organization?

Statement of the Problem

One issue that has risen from the numerous research papers and academic articles studying the role of whistleblowers in our society is that they seem to fail to provide an empirical answer to whether or not it is safe for whistleblowers to come out in the open. It is imperative that proper research is done to give a definitive solution to this problem. While other pieces of literature have delved into this topic, this study will approach it in a more direct fashion by piecing together the more substantial information from past research, culminating into a single coherent piece.

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Purpose of the Study

The purpose of this study is to determine whether or not it truly is safe for whistleblowers to expose the truth. Because of the invaluable service that whistleblowers provide our society, it is essential to know if it is safe for them to act as independent watchdogs against corruption in various institutions and organizations. The study will consist primarily of thorough research of past studies related to the topic.

Research Question/Hypothesis

RQ: Is it likely that a whistleblower will face consequences if they expose sensitive information within an institution or organization?

H: Whistleblowers are highly likely to face some sort of consequence as punishment for exposing sensitive information involving certain institutions and organizations.

Definition of Terms

Whistleblower – Former or current organizational members that disclose illegal, immoral, or illegitimate practices under the control of their employers to persons or organizations that may be able to affect this action (Rahardjo, 2017).

Whistleblowing - The disclosure by organizational 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 affect the action (Rahardjo, 2017).

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Literature Review

To tackle the research question, I will be analyzing three academic articles to explore the topic. The first article that will be examined is *Explaining the Whistle-Blowing Process: Suggestions from Power Theory and Justice Theory* by Janet P. Near, Terry Morehead Dworkin, and Marcia P. Miceli (1993). The reason it would be fitting to begin this literature review with this article is that the paper provides the theoretical framework that the entirety of this research paper is based. The second article that will be used is *Whistleblowers and Outcomes of Financial Misrepresentation Enforcement Actions* by Andrew C. Call, Gerald S. Martin, Nathan Y. Sharp, and Jaron H. Wilde (2017). The reason it would be proper to follow up the analysis of the first academic article with this one is that this article provided quantitative and empirical evidence as to why whistleblowing is imperative to transparency in both the private and public sectors. The third and final academic article that will be analyzed is *Understanding and Responding to Victimization of Whistleblowers* by Inez Dussuyer and Russell G. Smith (2018). The reason this article will conclude the analysis portion of the literature review is because it provides invaluable information as to not only the type of consequences whistleblowers face after speaking out but also the lasting impact it has had on them afterward. It is in hopes that through this analysis of the aforementioned literature that a more transparent and defined picture of the role whistleblowers play in terms of promoting greater transparency as well as the subsequent dangers they face emerges.

In *Explaining the Whistle-Blowing Process: Suggestions from Power Theory and Justice Theory*, researchers Near, Dworkin and Miceli (1993) delve into the theoretical dynamics that consists of the relationship between the whistleblower and the organization involved in illegal or

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immoral practices. In this scenario, the researchers had broken down this relationship into two theories: power theory and justice theory. Based on the perspective of power theory, the whistleblower engages in an attempt to exert power over the organization or some of its members, to persuade the dominant coalition to end the wrongdoing being committed one or more of the organization's members. In response, the dominant coalition may accept the power action and stop the wrongdoing, or they may evade the termination of their wrongdoing and potentially retaliate against the whistleblower to change the power balance. The two parties in this conflict, the whistleblower, and the organization, are engaged in attempts to exert power over each other in order to undermine their dependence on one another (Near et al., 1993).

The alternative theoretical framework for explaining the whistleblowing process would be the justice theory. Although prior research on whistleblowing has generally not been guided based on this theory, it has been used to explain other organization phenomena such as managerial dispute resolution, survivors' reactions to layoffs, and gender differences in the equity-pay satisfaction relationship. In these cases, the primary focus was based on explaining the response of one party to actions taken by a decision-maker. In the case of whistleblowing, the same theoretical framework can be used to explain the reactions of two parties in a whistleblowing situation. Following Greenberg's model of organization justice, procedural justice predicts the level of satisfaction with the system while distributive justice predicts the level of satisfaction with the outcome. For the whistleblower, the highest level of satisfaction with the system would occur when they feel as though the whistleblowing procedures were administered fairly, while the highest level of satisfaction with the outcome would happen when the organization ended the wrongdoing, corrected the situation, and did not retaliate against the whistleblower. On the other side, the organization would experience the highest level of

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satisfaction with the system when the whistleblower follows fair reporting procedures, in this case, reporting the wrongdoing through proper internal channels rather than through some outside agency or the media. The highest level of satisfaction with the outcome the organization would receive would be when the organization is not harmed by the exposure of their wrongdoing. When the outcomes of the whistleblower and the organization in terms of procedural and distributive justice are not aligned with one another, often the result could end up with one or both parties being harmed (Near et al., 1993).

In *Whistleblowers and Outcomes of Financial Misrepresentation Enforcement Actions*, researchers Call, Martin, Sharp, and Wilde (2017) analyze the importance of whistleblowers when it comes to the outcomes of financial misrepresentation enforcement actions by the Security and Exchange Commission (SEC) and Department of Justice (DOJ). Through their quantitative research, the researchers specifically examined a correlation between whistleblower involvement in cases concerning both the public and private sectors and the severity of penalties, prison sentences, and duration of regulatory enforcement actions for financial misrepresentation. After controlling for various factors, the researchers had concluded that whistleblower involvement in the enforcement process of these cases resulted in an 8.58% increased likelihood of the SEC imposing monetary sanctions on targeted firms, while also resulting in a 6.64% increased likelihood of criminal sanctions against targeted employees and executives. (Call et al., 2017)

Through their research, the researchers had also considered the common misconception that the primary role of whistleblowers is to expose misconduct when in actuality the benefits of whistleblower involvement often arise after a regulator has already begun an investigation. Because of this, the researchers had also investigated the correlation between the timing of the

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whistleblower's complaint and the outcomes of enforcement action. Based on their evidence, the involvement of whistleblowers who allege misconduct before regulators have begun their investigation and whistleblowers who emerge after an investigation had already begun were both positively correlated with heightened enforcement outcomes. However, when it came to the correlation between whistleblower involvement and the time it took regulators to begin regulatory enforcement, as well as the duration of enforcement actions, the researchers discovered that while there was a positive correlation when it came to a shorter discovery period of misconduct, there was no connection when it came to the length of regulatory proceedings (Call et al., 2017).

In *Understanding and Responding to Victimization of Whistleblowers*, researchers Dussuyer and Smith (2018) examine the backlash that whistleblowers in Australia have received as a result of their actions. Based on their research, whistleblowers that had spoken out generally experienced a myriad of negative consequences including criticism, denial, blaming, retaliation by management, feelings of fear, bullying, and harassment, as well as rare occasions of violent mistreatment and assault. Other forms of victimization included social isolation, not being promoted, and mistreatment which often resulted in either their resignation or dismissal. There have even been reported cases of the families of whistleblowers being targets of harassment (Dussuyer & Smith, 2018).

In addition to the physical toll that whistleblowers experience after exposing wrongdoing, the psychological impact has proven to be just as impactful and prevalent. Stress and exhaustion were very commonplace among whistleblowers when it came to the process of reporting misconduct as well as the retaliation they experienced afterward. The whistleblowing process had substantially impacted their financial situations as well resulting from costs for legal advice

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and litigation, promotions not being obtained, career development being impaired, and employment being terminated. According to the researchers, at the time that many of the subjects were interviewed, they were either unemployed or retired. More than anything else, most of the whistleblowers that were interviewed had a pervasive feeling of injustice due to the mistreatment they had experienced, resulting in adverse effects when it came to their sense of trust and confidence in organizations and people (Dussuyer & Smith, 2018).

When comparing the three academic articles to one another, it becomes increasingly clear how well each piece of the literature compliments one another. Near et al. (1993) set the table for the other academic articles by establishing the basic theoretical framework thus providing further context for the rest of the literature. Call et al. (2017) provides empirical evidence as to the importance of whistleblowers in relation to transparency and adequate justice for criminals which creates further context as to why the consequences whistleblowers face, as mentioned in Dussuyer and Smiths' research, is not only unacceptable but also detrimental for the rest of society. Dussuyer and Smiths' research ties the primary thesis of this research paper together, providing evidence as to the lack of safety whistleblowers face after exposing wrongdoing and misconduct.

Methodology

In order to find an empirical answer to the problem proposed, various aspects of the method involved in researching this topic have been addressed thoroughly. This was done in order to ensure as little room for margin of error as possible. The primary method of addressing the problem proposed was done so through extensive research of academic articles related to the topic of whistleblowers. However, while there were numerous research papers to choose from that addressed the topic of whistleblowing, the decision of what research to use came down to relevance in terms of the research question proposed.

Results

Based on the evidence provided from the literature, the hypothesis was proven correct in which the likelihood of whistleblowers facing some type of punishment after exposing sensitive information confirmed to be fairly high. Not only were whistleblowers subjugated to unfair retaliation from various facets of the organization they were reporting on, but the subsequent results from the harassment they faced also resulted in lasting physical, emotional, psychological, and financial harm. Despite the fact that whistleblowers play a crucial role in creating a more transparent society, particularly in the private and public sectors, their safety is often overlooked resulting in severe mistreatment. Because of the hostile condition's whistleblowers face, many are either too discouraged from coming out in the open, or end up regretting their actions considering the ramifications it ended up having on both their professional and personal lives.

Discussion

As the research has already proven in relation to the thesis, the research provided may have some serious ramifications when it comes to the outlook and perspective of the current policies in place concerning the protection of whistleblowers. By highlighting just how valuable whistleblowers are for a more transparent society, how ineffective the current laws and policies in place right now are at guaranteeing protection for whistleblowers, the hostile culture that whistleblowers are forced to operate in, and the type of danger whistleblowers can face after exposing certain information, it will hopefully result in a call to action to guarantee whistleblowers real and tangible protection which may result in more people feeling safe enough to engage in whistleblowing. Because many other studies have already been done proving how valuable whistleblowers are for a transparent society, as well as how weak current whistleblower protection laws are, many members of the academic community will find the results of this study to be reasonably valid while people outside the academic community will also most likely agree with the outcome of this study.

It is absolutely paramount that whistleblowers are treated not only as valuable assets for a more transparent society but also as human beings. While their service towards the greater good is certainly something that should be appreciated, the human cost of becoming a whistleblower is something that is often overlooked. It is a genuinely frightening and draining experience for those involved which is something that must be considered when theorizing policy around whistleblower protection. The current policy around whistleblowing should not be based around the awards aspect of it, but rather the preservation of a whistleblower's life.

Reflection

As someone who has always appreciated transparency, doing research on a topic such as whistleblowers was something that I considered very rewarding. If it were not for the work of many whistleblowers throughout history, our understanding of the lengths corrupt and powerful figures and organizations would be willing to go to further their agendas would be tragically limited. Because of this, it was imperative that for this research paper that I narrow down the literature that would ultimately be used to the bare essentials. While quantity is something that is often looked for when it comes to research papers such as this, quality to me is something that is far more important. By focusing only on a few academic articles for this paper, it allowed for the research to feel much more focused as opposed to be buried under a plethora of small increments of information from various sources. Because of the kind of focus this approach provided, it created a stronger sense of coherence that I felt ultimately addressed the thesis more directly.

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