

The Organization of Dissent in Organizations

The case of Corporate Whistleblowing Systems

Whistleblowing is a deliberate non-obligatory act of disclosure, which gets onto public record and is made by a person who has or had privileged access to data or information of an organization, about non-trivial illegality or other wrongdoing whether actual, suspected or anticipated which implicates and is under the control of that organization, to an external entity having potential to rectify the wrongdoing. (Jubb 1999, 78)

It was the historical context of the 1960s and 1970s that whistleblowing emerged as a new form of *resistance against corporate power* (see also Olesen 2017, Gabriel 2008). In 1972, Ralph Nader points towards the growing power of corporations (Nader 1972, 7 quoted in Olsen 2018, 5) and conceives whistleblowing as a 'new kind of resistance and democratic intervention, driven by rising social complexity and in response to organizations with expanding reach and capacity' (Nader in Olesen 2018, 5). Nader probably not only initiated the discussion on whistleblowing in academia (Vandekerckhove 2006) but also recognized whistleblowing as a form of dissent in organizations that informs the public about wrongdoing. This understanding of whistleblowing coincides with Jubb's (1999) definition above. By arguing for a restrictive definition, Jubb (1999) conceptualized whistleblowing as a 'dissenting act of public accusation against an organization which necessitates being disloyal to that organization' (Jubb 1999, 77).

Almost half a century later and given the rash of the 2000s (accounting) scandals, managers of corporations set up compliance management systems (CMS) to oversee regulatory compliance issues in the workplace. Increasingly such CMS adopt (electronic) whistleblowing systems (WBS) not only to detect but also to prevent misconduct, wrongdoing, and corruption. Corporate WBS provide internal channels by which employees can anonymously voice their dissent and concerns to the compliance department. While the compliance department is an autonomous unit in corporations that ought to function independently from daily operations, the Chief Compliance Officer typically reports to the management (Chief Executive Officer or Chief Operations Officer).

It can be argued that the implementation of corporate WBS primarily aims at gaining (social) legitimacy for doing business (see Pittroff 2013) and thus, pursues rather a symbolic than practical value. However, empirical research (e.g. ACFE 2016) shows that employees increasingly voice dissent via using internal channels of corporate WBS instead of what Jubb named 'public accusation against an organization' (Jubb 1999, 77). Rather than being disloyal to the organization, employees report (often anonymously) their concerns to the compliance department which then is in charge to take action and rectify the wrongdoing. In so doing, the management not only guarantees the whistleblower a certain degree of protection against retaliation but also promote voicing dissent via WBS as feeding into economic success.

In this sense, not only the management but also the dissenter hope that regulatory compliance is able to process dissent which is voiced via corporate WBS in a way that is satisfactory for both. Yet, it is unclear how accurately the compliance department is able to deal with substantial dissent against the management (and against themselves). Especially in the light of conflicting interests that arise by the intermediary function of regulatory compliance: what are the limits of voicing dissent via corporate WBS?

Against this backdrop, I ask how do compliance professionals deal with dissent raised via internal WBS? To answer this question I draw on 10 Interviews with compliance professionals in Austrian and German organizations which are in charge of corporate (and mostly digital) WBS. The semistructured interviews were held in German, lasted around 40-60 minutes and are currently transcribed. In addition, I will draw on documents describing these WBS that are published (online) by the respective compliance department. In my analysis, I will focus on (a) role and function of regulatory compliance in the organization (b) the value of dissent voiced via WBS for the organization (c) the functioning and use of corporate WBS.