

Whistleblowing in Business Organizations: How are Dissenting Interests Organized in Business Discourses ?

'Some critics are now busy eroding another support of free enterprise the loyalty of a management team, with its unifying values and cooperative work. Some of the enemies of business now encourage an employee to be disloyal to the enterprise. They want to create suspicion and disharmony, and pry into the proprietary interests of the business. However, this is labelled - industrial espionage, whistle blowing, or professional responsibility - it is another tactic for spreading disunity and creating conflict' (Roche 1971, 445).

When in 1971, Jame M. Roche, former vice president of General Electric expressed his disfavour for the emerging support of disclosure practices, nobody expected today's business organisations to implement whistleblowing procedures by themselves. Conceived as the act of speaking out 'against illegal or unethical practices' (Alford 2001, 403) in the workplace, within the last half century whistleblowing has challenged all sorts of organisations. Indeed, ever since 2013, when Edward Snowden famously disclosed classified information of the U.S. National Security Agency (NSA), the notion of *whistleblowing* has become well known in the public sphere.

However, not only governmental organisations have to deal with whistleblowers but also business organisations are increasingly facing the risk of being exposed to negative publicity (e.g. Enron, Worldcom, Volkswagen). Corporate scandals frequently feed the headlines of newspapers or social media postings and in many cases, it is owed to the practice of whistleblowing that society has been informed about organizational wrongdoing, misconduct and corruption. Consequently, business organisations or those in power are called to account and whistleblowing is increasingly recognized as vital for balancing dissenting interests of society and business. This stimulated a lively discussion on how to design and organize whistleblowing procedures in business organisations.

As Andrade (2015) points out, '[O]ne of the key aspects of whistleblowing procedure is to specify who is eligible as a recipient of a disclosure of wrongdoing' (322). Accordingly, whistleblowing procedures can be distinguished in terms of internal and external disclosures recipients. While external whistleblowing procedures are less likely to be found in business organisations, internal whistleblowing procedures are increasingly used for detecting and preventing organisational wrongdoing, misconduct and corruption.

From an (traditional) economical perspective it seems quite unreasonable to implement procedures that support employees in disclosing organisational secrets to the public. As Eisenberg (2007:64) observes, organisations have various good reasons to withhold information and protect strategic positions (e.g. Sproull & Kiesler, 1995). Given that organizational secrecy contribute to competitive advantages and wrongdoing or misconduct is not necessarily absent when profits are made, the whistleblower clearly 'prys into the interests of business' (Roche in DeGeorge 1986). How then can we explain the increased usage of whistleblowing procedures within today's business organisations?

According to Vandekerckhove (2006) most of the existing literature on whistleblowing at the workplace was initiated by a publication of a conference on professional responsibility 1972. Ralph Nader and his colleagues, consumer advocates, introduced whistleblowing as an 'act of a man or woman who, believing that the public interest overrides the interest of the organization he [sic] serves, blows the whistle that the organization is involved in corrupt, illegal, fraudulent or harmful activity' (Nader et al. 1972, p. vii). Accordingly, the interest of society was recognized as prior to the interests of business by arguing that 'if someone poses a risk to society, then society has a right to know about it' (Vandekerckhove 2011, 6). Thus, whistleblowing was increasingly recognized by the general public as a pro-social practice which should be implemented in business organizations. Empirical research in the USA and UK showed that also 'employers are increasingly [started to] recogniz[e] both the need and desirability of having effective whistleblowing policies and procedures in place' (Vandekerckhove 2011, 4).

Nonetheless, while being recognized as beneficial for society, the disclosure of discrete information to the public still caused (and causes) financial and reputational harm to business organizations. Thus, business organisation saw themselves disadvantage by the societal pressure to implement whistleblowing procedures that feed into public disclosure and scandals. As being evident in Roche's statement, it was argued that external whistleblowing procedures are violating organizational loyalty.

In this context, Norman Bowie (1982) argued that whistleblowers 'violate a prima facie duty of loyalty to one's employer' (xx). For Bowie the duty of loyalty to one's employer ethically forbid the practicing of whistleblowing in the workplace. To be fair, Bowie recognizes that this prima facie duty can be overridden by a higher duty to the society or the public good. In the same vein, Sissela Bok interprets whistleblowing as an act of disloyalty.

The whistleblower hopes to stop the game; but since he is neither referee nor coach, and since he blows the whistle on his own team, his act is seen as a violation of

loyalty. In holding his position, he has assumed certain obligations to his colleagues and clients. He may even have subscribed to a loyalty oath or a promise of confidentiality. ...Loyalty to colleagues and to clients comes to be pitted against loyalty to the public interest, to those who may be injured unless the revelation is made. (Bok 1980, 4)

While Bowie and Bok would support whistleblowing in certain (business) contexts, Roche would make no excuses if someone seeks to come across the interests of business. While there was a consensus in society that whistleblowing was needed to balance the power of business in society, business organisations could not agree with procedures that allow their employees freely to disclose secret information to the public.

Thus in the 1990s, business advocates came up with a solution to this problem by introducing internal whistleblowing procedures. The argument was that the wrongdoing could be corrected by the organization internally while the public reputation and the competitiveness remain untouched. This enabled an ongoing consensus of internal whistleblowing procedures within business.

More recently, Miceli and Near (2016) argue that practicing external whistleblowing 'entails all sorts of costs for the organization' (105) and recommend clear steps to make sure 'that information about organizational wrongdoing stays inside the organization, where it may be remedied, instead of being made public.' (ibid.) Therefore, whistleblowing systems (WS) are used to regulate and organise the practicing of whistleblowing in the workplace.

In the literature, WS are conceived as tools for the detection of organisational wrongdoing and misconduct before it goes public (Pittrof 2014, Miceli and Near 1992; Callahan et al. 2002; Moberly 2006). As Pittrof (2014, 401) observed, '[t]he increasingly prevalent managerial view leads to the establishment of guidelines that present elements of effective whistleblowing procedures (BSI 2008 ; Data-Protection- Group 2006). Pittrof (2014) argues that along with the demand of organisations to communicate Corporate Social Responsibility (Arvidsson 2010) and implement Corporate Governance Codes, the 'managerial view of whistle-blowing was intensified after corporate scandals' (401). In this sense, WS fulfil a preventive function for organisations by avoiding the external whistleblowing disclosure of information that may lead to 'corporate scandals, lawsuits, and fines' (Pittrof 2014, 401).

To sum up, while before the 1970ies, the practice of whistleblowing was jeopardized within business, today there is a widespread agreement upon managers, consultants, fraud detectors and anti-corruption activists that internal whistleblowing procedures are needed in business organisations. Accordingly, I argue that within the last half century the academic

and public debate around whistleblowing in the workplace shifted away from asking whether such acts are ethically or economically acceptable/tolerable towards the question under which circumstances (rules, regulations etc.) whistleblowing can fulfill a vital role within business.

This is not only evident within the literature but also in the work of organisations that promote whistleblowing. For instance, Transparency International, the leading NGO in the anti-corruption discourse claims that ‘the question for organisations [...] is not whether whistleblowing mechanisms are needed but how to ensure that they are designed, implemented and maintained effectively’ (TI 2017). Thus, not only NGOs and NPOs have recognized the value of the internal whistleblowing procedures for their work but also corporations increasingly adopt whistleblowing-mechanisms and -systems to prevent and detect wrongdoing, misconduct and corruption

Against this background, the research question of this paper is: “how do contemporary business discourses advocate (construct and regulate) whistleblowing in the workplace and which specific procedures do they propose for practitioners in business organisations?” To answer this question, I will briefly recall Michel Foucault’s Berkeley lectures held shortly before his death in 1984. In this vein, an emergent research stream has approached whistleblowing as a contemporary form of truth-telling in the workplace (Contu 2014, Munro 2016, French 2007, Mansbach 2011, Skinner 2011, Weiskopf & Willmott 2013, Weiskopf & Tobias 2014, Vandekerckhove & Langenberg 2012,).

Foucault’s analysis of problematization (AoP) enables us to theorize contemporary forms of truth-telling in relation to power and at the same time equips us with the methodological foundations to do so. In his six lectures Foucault analyzed the practice of parrhesia which occurred as a form of truth-telling in Greece around the 4-5th century B.C. Methodologically this was put forward by analyzing the writings of greek philosophers (Socrates, Plato, etc.) that represented a powerful discourse at that time. Within his analysis, Foucault could recognize certain patterns(issues) that regularly were addressed by the authors in the texts studied. Accordingly, Foucault formulated the following questions as an analytical orientation but also as the central aspects of the way the studied discourse problematize truth-telling:

Who is able to tell the truth? What are the moral, the ethical, and spiritual conditions which entitle someone to present himself as, and to be considered to be, a truth-teller? About what topics is it important to tell the truth? (About the world? About nature? About the city? About behavior? About man?) What are the consequences of truth-telling? What is the relationship between the activity of truth-telling and the

exercise of power? Is truth-telling and power separable, or do they require one another? (Foucault & Pearson 2001, 169)

Foucault further argues that this mode of problematizing truth-telling has been inscribed into modernity. I will borrow Foucault's questions for studying the way whistleblowing is problematized within contemporary discourses and practices of business. To illustrate the argument I will provide an empirical example of how business discourses construct and regulate the practice of whistleblowing and simultaneously 'make up' the character of the whistleblower in business organisations.