

# Talking Versus Walking? Organizational Procedures and Communication Practices to Encourage Internal Whistleblowing

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## Our presentation today: Overview

- We draw on data from 115 Australian public sector agencies, collected by the “Whistling While They Work” (WWTW) project team (see Brown (2008) for a complete description).
- We use a statistical technique (hierarchical linear modeling (HLM), or multilevel modeling) that is tailored specifically for studies where data are collected from multilevel (e.g., organization, employee) sources (e.g., Hofmann, 1997), such as those in the WWTW study.

## Whistling While They Work: Enhancing the Theory & Practice of Internal Witness Management in the Australian Public Sector (2005-2009)

**Australian Government**  
Commonwealth Ombudsman  
Australian Public Service Commission  
*Charles Sturt University*

**Queensland Government**  
Crime & Misconduct Commission  
Queensland Ombudsman  
Office of Public Service, M&E  
*Griffith University*

Transparency International Australia

**Australian Research Council**

[www.griffith.edu.au/whistleblowing](http://www.griffith.edu.au/whistleblowing)

**Western Australian Government**  
Corruption & Crime Commission  
WA Ombudsman  
Public Sector Standards Commissioner  
*Edith Cowan University*

**New South Wales Government**  
NSW ICAC  
NSW Ombudsman  
*University of Sydney*

**Victorian, ACT & NT Govts**  
Ombudsman Victoria  
NT Comr for Public Employment  
ACT Chief Minister's Dept  
*Monash University*

## WWTW - Quantitative Research

### General Agencies

	<b>Cth</b>	<b>NSW</b>	<b>Qld</b>	<b>WA</b>	
<b><i>Agency Survey (Procedures)</i></b>	73	85	83	63	<b>304</b>
<b><i>Procedures Assessment</i></b>	56	60	31	28	<b>175</b>
<b><i>Employee Survey</i></b>	27	34	32	25	<b>118</b>

Total no. of public servants surveyed – **23,177**

Total responses – **7,663 (33%)**

### Case Study

#### Agencies

Volunteered	15	24	28	20	87
Selected	4	4	4	3	<b>15</b>

***Internal Witness Survey*** n=240

***Casehandlers (n=315)*** }

***Managers (n=513)*** } n=828

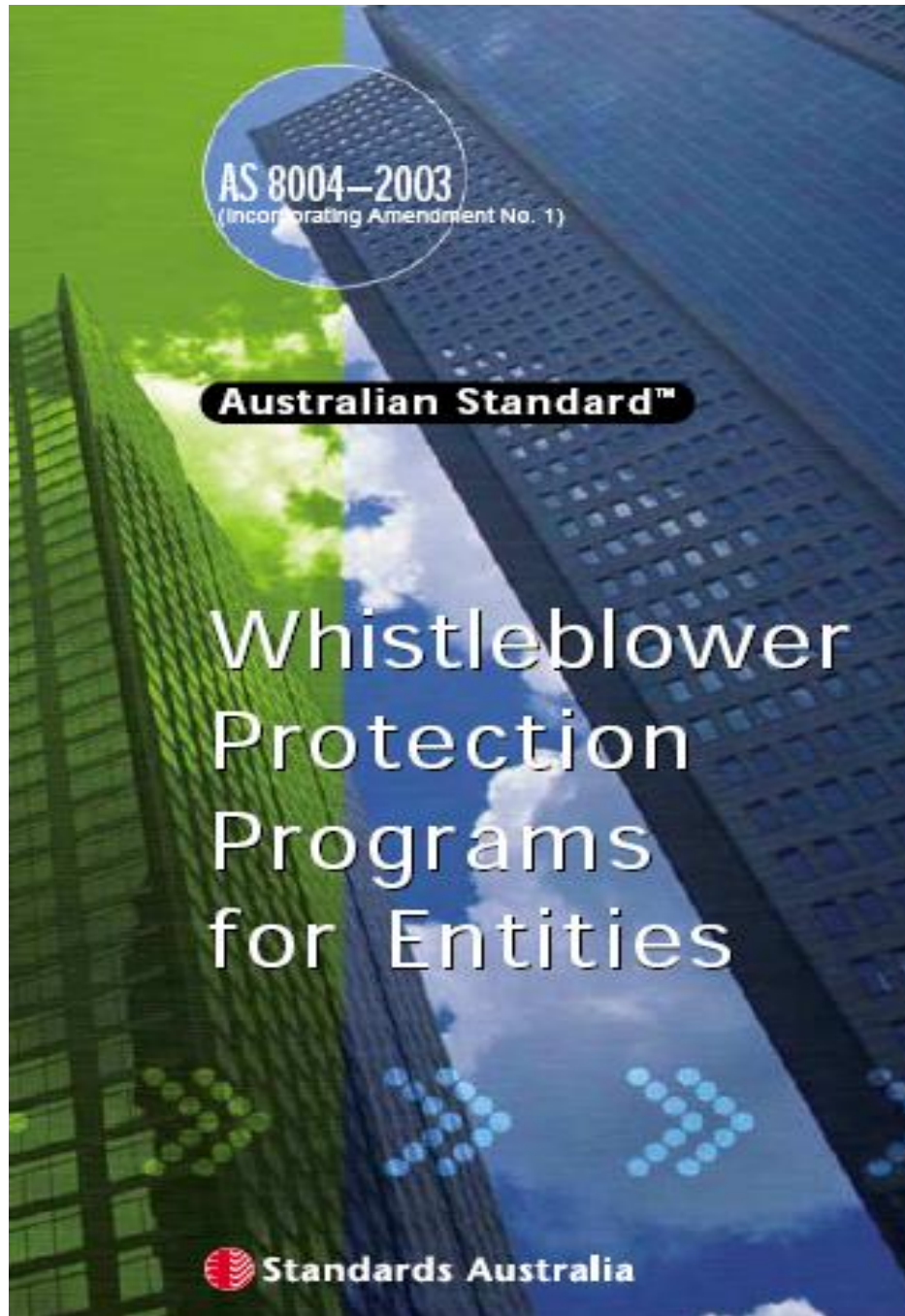
### Integrity Agencies

***Integrity Agency Survey (Practices & Procedures)*** n=16

***Integrity Casehandler Survey*** n=82

## Whistling While They Work – Australia: Overall ranking of case study agency performance

Agency	Agency rankings														
	B	A	M	P	N	E	C	F	D	O	L	G	K	H	I
Procedures comprehensiveness	2	1	10	8	12	3	15	6	14	5	11	13	-	7	9
Indicator Survey1 results:															
1. Attitudes to reporting	2	1	9	12	6	3	10	5	4	11	14	13	8	15	7
2. Awareness of legislation	4	2	1	7	3	6	11	13	5	8	9	10	15	14	12
3. Awareness of policies	5	1	2	10	6	3	4	7	9	12	8	13	15	14	11
4. Whistleblowing propensity	3	1	2	6	8	4	5	7	9	10	13	11	14	15	12
5. Trust in organisational response	3	2	4	1	11	7	12	8	15	6	5	9	13	10	14
6. Inaction rate (serious)	1	13	6	4	7	14	8	5	10	12	3	9	11	2	15
7. Knowledge of investigation	7	5	9	1	2	4	11	12	3	6	13	10	8	15	14
8. Treatment following report	1	6	7	3	5	11	2	9	14	10	13	4	8	12	15
Sum of ranks	26	31	40	44	48	52	63	66	69	75	78	79	92	97	100
<b>Overall ranking</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>



Only 5 out of 175 federal and state agencies had ‘reasonably strong’ procedures measured against the Standard.

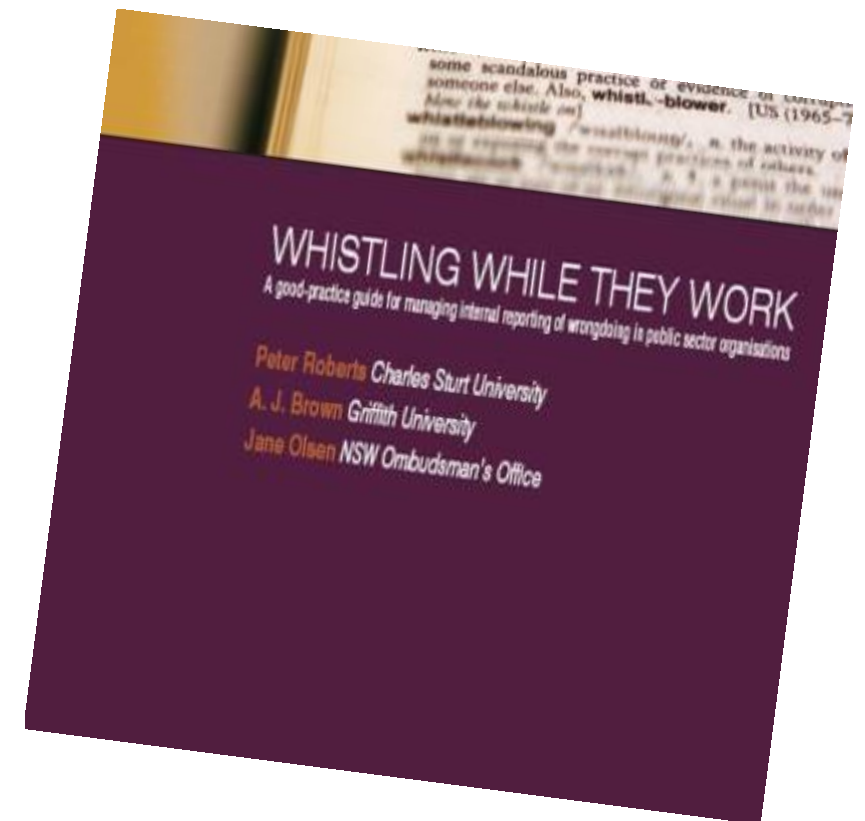
## ***Whistling While They Work - A good practice guide for managing internal reporting of wrongdoing in public sector organisations***

***Peter Roberts, A. J. Brown &  
Jane Olsen, 2011***

[http://epress.anu.edu.au/whistling\\_citation.html](http://epress.anu.edu.au/whistling_citation.html)

### **Elements of an organisational whistleblowing program:**

1. Organisational commitment
2. Encouragement of reporting
3. Assessment and investigation of reports
4. Internal witness support and protection
5. An integrated organisational approach



## “Draft” nature of our approach today

- We present one set of HLM and other analyses, but this work is very much in the draft stage, so input, ideas, suggestions, etc., are most welcome.
- There are many other HLM analyses, with other measures, that we hope to do.



## Definition of whistleblowing

“Whistleblowers are organization members (including former members and job applicants) who disclose illegal, immoral, or illegitimate practices (including omissions) under the control of their employers, to persons or organizations who may be able to effect action” (Miceli & Near, 1984; Near & Miceli, 1985, p. 4).

## Theoretical overview

- “Strategically-targeted” human resource management systems can improve teamwork, network-building, etc. (Jackson et al., 2014).
- Whistleblowing policies and procedures, and communication of them, can be viewed as a STHRM system.

## continued

- “The primary functions of an HRM system are
  - (1) identifying the behaviors needed from employees,
  - (2) ensuring employees have the competencies needed to perform successfully,
  - (3) motivating employees to engage in the needed behaviors, and
  - (4) providing opportunities for employees to perform successfully both currently and in the future” (Jackson et al. 2014, p. 23).

## continued

- Signaling theory (e.g., Connelly et al., 2011) can be used to suggest that communicating policies and procedures to encourage whistleblowing can affect employee knowledge and behavior.

## Hypothesis 1

There is a positive association between the quality of written whistleblowing policies and procedures, and employees' knowledge of whistleblowing.

## Hypothesis 2

Top management's use of more comprehensive formal communication methods to inform employees about whistleblowing policies and procedures is positively associated with employees' knowledge of whistleblowing.

## Hypothesis 3

The use of more comprehensive informal communication methods primarily at middle and lower organizational levels--on an ongoing basis—is positively associated with employees' knowledge of whistleblowing.

## Hypothesis 4

Greater employee knowledge of whistleblowing is associated with lower levels of inactive observation where wrongdoing has not been reported or resolved.



## Method—Participants and procedure

Three sources of data:

- (1) organization survey (Agency Survey, i.e., Survey 1);
- (2) ratings of documents provided by participants in that survey (Procedures Assessment); and
- (3) employee survey (Survey 2).

## Method—Measures

*Quality of Written Procedures*: 11-item scale ( $\alpha = .96$ ), reflecting ratings of documents; 0="no mention", to 3="extremely strong or comprehensive." Examples of items:

- types of concerns for which it is appropriate to use the whistleblowing mechanism,
- roles and responsibilities of the key players in the organization,
- commitment to protect and respect internal witnesses, and
- the investigation process to follow on receipt of a whistleblowing report.

For the next **two** measures, Survey 1 respondents were asked, “(d)oes your agency have arrangements for informing staff about policies and procedures for reporting wrongdoing?, and if they did, “indicate which of the following are used to provide information about the reporting of wrongdoing.” Please circle all that apply.”

This was followed by a list of 16 possible communication methods, plus an “other” category. A factor analysis enabled us to create two scales. (continued)

For *Top-Down Communication Methods* ( $\alpha = .88$ ):

- “code of conduct”;
- “email, intranet/internet pages”;
- “induction (orientation or on-boarding) program”;
- “published list of organizational policies”;
- and
- “advice from senior management to the organization.”

For *Mid-level Communication Methods* ( $\alpha = .77$ ):

- “team meetings”;
- “posters/bulletin boards”;
- “advice from immediate supervisors”;
- “general training”;
- “advice from union or staff associations”;
- “newsletters/leaflets”; and --
- “employment contracts/awards.”

For *Whistleblowing Knowledge* ( $\alpha = .83$ ): Mean of employees' (Survey 2) responses to (1 = "Strongly Disagree", to 5 = "Strongly Agree"):

--"I have enough information about where to report wrongdoing, if such activities came to my attention";

--"(i)f I observed wrongdoing, I would know how to find out where to report it";

--"(t)he organization I work for encourages employees to report wrongdoing";

--"I know what support my organization provides for employees who report alleged wrongdoing"; and

--"I know what action I can take if I report wrongdoing and am retaliated against."

For *Observation of Wrongdoing and Whistleblowing*, we used multiple items on the employee survey to create 8 categories (excluding about 300 cases with missing data):

Category	N
Nonobservers	2128
Inactive Observers of Serious Unreported or Unresolved Wrongdoing	1124
Inactive Observers of Less Serious Unreported or Unresolved Wrongdoing	1258
Inactive Observers of Reported Wrongdoing	362
Inactive Observers of Resolved Wrongdoing	221
Internal Whistleblowers	1665
External Whistleblowers	309
Other Whistleblowers	56
All categories <sup>a</sup>	7123

# Analyses

- HLM was used to test Hs 1-3.
- Discriminant analysis was used to test H4.
- We included two control measures in each analysis:
  - *Role Prescriptions* (“(i)s audit/fraud risk management/ corruption prevention/ investigation a normal part of your job duties? (1=no; 2=yes)), and
  - *Respondent Is a Manager* (1=no; 2=yes).



# Results

- Descriptive statistics: See Table 1. The organization-level measures were correlated (at  $p < .001$ ). Thus, organizations that had better policies also tended to use more comprehensive communication methods at both top level and lower levels.
- Tests of Hs 1-3: See Table 2 and summary to follow.
- Test of H4: See Table 3 and summary to follow.

Table 1 Descriptive Statistics Relevant to Hypotheses 1-3<sup>a</sup>

<i>Organization-level measures</i>	Mean/%	SD	1	2
1 Quality of Written Procedures	1.01	.83		
2 Top-Down Communication Methods	.71	.37	.47***	
3 Mid-Level Communication Methods	.28	.29	.29**	.61***
<i>Individual-level measures</i>	Mean/%	SD	4	5
4 Whistleblowing Knowledge	3.40	.78		
5 Role Prescriptions	23.4%	.42	.21***	
6 Respondent Is a Manager	21.0%	.41	.16***	.18***

<sup>a</sup> Following (Fu et al., 2010), we report the correlations within-level only, because all employees of the same organization (i.e., nested data) would have the same values on the measures from the organizational survey (violating some assumptions underlying correlations), and the results would be heavily weighted toward organizations with many respondents. *N* for organization-level (quality assessment and Survey 1) data (measures 1 to 3) = 115. *N* for individual-level (Survey 2) data (variables 4 to 6) = 7424.

## Tests of Hypotheses 1-3

- H1: *Supported*. Model 1 (Table 2) shows that there is a significant positive association between the quality of written whistleblowing policies and procedures, and employees' knowledge of whistleblowing.
- H2: *Significant relationship, but in the opposite direction to prediction (Models 1 & 3)*: The more comprehensive the formal communication methods used by top management, the *less* whistleblowing knowledge.

- H3: *Supported*. The use of more comprehensive informal communication methods primarily at middle and lower organizational levels--on an ongoing basis--is positively associated with employees' knowledge of whistleblowing.

Note: The fit of the model was not as good as hoped, so these results should be viewed as preliminary; we will continue to try to improve.

(Partial) Table 2 Results of HLM Analysis for Whistleblowing Knowledge<sup>a</sup>

Measures	Model 1	Model 2	Model 3
<i>Level 2 Hypothesized Predictors</i>			
Quality of Written Procedures	.07 (.03)*		.06 (.03)*
Top-Down Communication Methods	-.25 (.08)**		-.24 (.08)**
Mid-Level Communication Methods	.33 (.09)***		.33 (.09)***
<i>Level 1 Control Measures</i>			
Role Prescriptions		.26 (.02)***	.26 (.02)***
Respondent Is a Manager		.26 (.02)***	.26 (.02)***

<sup>a</sup>Model 1 = Level 2 predictors only; Model 2 = control measures only; Model 3 = predictors and control measures. Level 2 = organizational-level; Level 1 = individual-level. Standard errors are in parentheses. \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$ .

## Test of Hypothesis 4

*Supported.* Function 1 (Table 3) and the group means show that the inactive observers who believed wrongdoing was unresolved and unreported believed they had **less** knowledge than did other groups.

(The other two functions (all significant) showed, generally, that whistleblowers tended to be managers and auditors, though observers who didn't report because of prior resolution were similar to them.)

Table 3 Results of Discriminant Analysis for Whistleblowing Knowledge, by Observation of Wrongdoing and Whistleblowing

Functions at Group Centroids

Category	Mean	1	2	3
Nonobservers	3.50	.15	-.11	-.10
Inactive Observers of Serious Unreported or Unresolved Wrongdoing	3.11	-.38	-.12	-.04
Inactive Observers of Less Serious Unreported or Unresolved Wrongdoing	3.21	-.23	-.15	-.10
Inactive Observers of Reported Wrongdoing	3.52	.15	-.05	.14
Inactive Observers of Resolved Wrongdoing	3.54	.14	.43	.16
Internal Whistleblowers	3.55	.17	.24	.14
External Whistleblowers	3.50	.09	.16	.22
Other Whistleblowers	3.60	.24	.31	.08

Rotated Standardized Canonical Discriminant Function Coefficients

Whistleblowing Knowledge		1.02	-.06	-.09
Role Prescriptions		-.09	-.07	1.02
Respondent Is a Manager		-.06	1.02	-.07

<sup>a</sup>301 cases were excluded due to missing or inconsistent data on the categorical variable. Functions 1 and 2 were significant at  $p < .001$ ; function 3 was significant at  $p < .013$ .

## Discussion

- Results are consistent with the strategic HRM literature in showing that strategically targeted organizational efforts can have positive outcomes.

(continued)



## The surprising finding (re: top-down, formal communication methods)

- Possible explanations for this finding:
  - Fewer, highly focused methods may be more effective than many
  - Employees may have misperceived the communications
  - Employees may have felt overwhelmed by multiple formal methods (i.e., “TMI”)

(continued)

## Surprising finding (continued)

- Another possible explanation is suggested by Tyler's and colleagues' work (e.g., Tyler, in press):
  - the “extrinsically oriented command-and-control” model (rewards and punishments) sometimes is shown to be less effective than
  - the “intrinsically oriented self-regulatory model” (Tyler & Blader, 2005, p. 1143) (employees are encouraged to internalize values).

The formal communication methods may be an example of the first category.

## Conclusion

- We found preliminary evidence supportive of organizational efforts to create policies and communicate them – but for some efforts more than for others.
- More research to elucidate these findings and to examine other variables is needed.

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