

EMPIRICAL EVIDENCE OF LACK OF SIGNIFICANT SUPPORT FOR WHISTLEBLOWING

Conor Buckley*, Derry Cotter*, Mark Hutchinson*, Conor O'Leary**

Abstract

Whistleblowing involves employees reporting upon wrongdoing occurring in their organisation. Traditional views of whistleblowing (a disloyal act) are evolving towards a more modern view (sympathetic). This study evaluates attitudes towards whistleblowing in Ireland. Corporate employees reviewed business scenarios, evaluated whether they were prepared to become whistleblowers or not and gave their reasons. They also evaluated their organisation's attitude towards whistleblowing. The findings suggest many employees (particularly males) are still reluctant to report wrongdoings in their workplace and would rather report internally than externally. Also, employees who do whistle-blow are motivated more by feelings of loyalty than self-interest. Finally employees do not consider their organization particularly supportive of whistleblowing. Results suggest organisations must do more to promote whistleblowing if employees are to be encouraged to do so appropriately.

Keywords: whistleblowing, empirical research, ethical attitudes, corporate culture, Ireland, legislation

*University College Cork, Cork, Ireland

**Dr. Conor O'Leary (corresponding author)

School of Accountancy, Queensland University of Technology, Brisbane, Australia.

Phone: +61 7 31381019

Fax: +61 7 38641812

Postal: GPO Box 2434, Brisbane, Qld 4001, Australia

Email: c.oleary@qut.edu.au

1. Introduction

Background

Whistleblowing has been succinctly defined by Nadler and Schulman (2006) as:

calling attention to wrongdoing that is occurring within an organization. (p.1).

Many researchers have provided varying definitions in the extant literature in the area (discussed below) but this concise statement summarises the issue satisfactorily for the purpose of this study. In the corporate world, the role of the whistleblower is an emotive one. Although technically holding the high moral ground, whistleblowers have traditionally been regarded as spies in the camp, demonstrating disloyalty to the very organisations that have given them employment. Whereas whistleblowers may act with the best ethical interests at heart, typically, these ethical informants have seen their career prospects suffer, often to the extent of summary or constructive dismissal. On

occasion, their demise has been compounded by social exclusion from peer groups.

The importance of responsible corporate governance in the business community has been brought back into focus due to the many corporate scandals reported in recent times (such as *Enron* and *WorldCom* in the United States and *Parmalat* in Europe). The current global financial crisis provides even more examples. Some of these scandals have involved egregious ethical failures by individual accountants and board members in the preparation of accounts and even some accounting firms in the audit of those financial statements. Whistleblowers have been prevalent in many of these cases. Dellaportas *et al.* (2005) note the roles of Sherron Watkins in exposing the *Enron* scandal and Cynthia Cooper in exposing the *WorldCom* scenario. Similarly, a British Broadcasting Corporation (2006) documentary reviewing the demise of *Arthur Andersen* noted how in several cases, such as the *Sunbeam Corporation* and the *Baptist Church of Arizona* scandals, whistleblowers had attempted to put a stop to fraudulent and unethical corporate behaviour long before the full extent of the subsequent losses were realised.

The actions of these whistleblowers, which uncovered numerous unacceptable practices, have been an influential factor in elevating the whistleblower to a figure who is not merely socially responsible, but who can also add value to a company by reporting irregularities early enough so that they can still be remedied. It would be hoped therefore that current employees of corporations would have a positive attitude towards the whole concept of whistleblowing.

Objective and motivation

The above summary of whistleblowing in the corporate environment provides the motivation for this study. The Irish economy has seen spectacular corporate rises and collapses in the first decade of the current century. The purpose of this paper is to attempt to evaluate the perception and role of whistleblowing amongst corporate employees (using officers from a financial institution as a subset) in Ireland. Has the *traditional* view of whistleblowing (a disloyal activity to be frowned upon) been replaced by a more *modern* view (sympathetic and supportive)?

There is a need for more research into Irish attitudes towards whistleblowing as current research is sparse and international studies have demonstrated how national and cultural factors impact upon ethical decision making in business settings. For example, a comparative study in 2000, found that Irish business students were far less likely to be whistleblowers – by reporting incidents of wrongdoing or fraud – than their Australian counterparts (O'Leary and Cotter, 2000). Hence, to generalise from the studies of other Western style business environments to the specific Irish case may not be reflective. This study therefore focuses on the Irish environment.

Organisation of the Paper

The remainder of this paper is organised as follows. A literature review section follows which is split into two components, the traditional view of whistleblowing and the more modern view, which describes how the attitude to whistleblowing may have changed in recent decades. Section three then outlines the research questions (RQs) derived from the literature and the methodology then utilised to test these RQs. Section four summarises and analyses the results. Finally section five concludes the paper and offers some future research possibilities.

2. Literature Review

Whistleblowing - the traditional view

Consider the following comments of Brooks and Dunn (2007) as typical of many commentators in evaluating attitudes towards whistleblowing.

Whistleblowing, although it could contribute to a more ethical organisation, is nonetheless something most North Americans were taught not to do when they were growing up, and a stigma continues to be attached to it. (p. 479).

Near and Miceli (1985) note the unpalatable aspect of the practice, because by its very nature whistleblowing involves disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers and/or fellow work colleagues. Also this reporting of undesirable practice by one's work peers or superiors, may be to persons outside the organisation that may be able to effect action, if all attempts at internal resolution have failed. Hence it will involve external disclosure of internal practices.

Prior to the 1960s, organisational culture allowed little room for employee rights. Loyalty to the firm was the expected norm, and employees could often be dismissed without justification or reason. Amidst such a penal environment, support for whistleblowers was non-existent, and irregularities went undisclosed as organisations revealed only what was perceived to be in their best interests. An example was the link between asbestos and lung disease, which was established as far back as 1924, but was actively suppressed by those profiting from its use. The first successful litigation against an asbestos manufacturer in fact did not take place until 1971. Thus, employees were largely regarded as agents of their organisation, and were expected not to reveal information that could prove damaging to their employers.

Boatright (2003) describes how in a 1971 speech, James M. Roche, then chairman of the General Motors Corporation, attacked the process of whistleblowing;

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, whistleblowing or professional responsibility – it is another tactic for spreading disunity and creating conflict. (p.78).

Given the negative sentiment towards whistleblowers, it is not surprising to learn that they have often been harshly dealt with by their employers. Glazer (1983) identified ten cases of whistleblowing and examined the personal consequences for each of the whistleblowers. The cases include that of Justin Rose who was hired as an in-house attorney in 1973 by the Associated Milk Producers Incorporated, where he quickly became aware of illegal payments being made to politicians. When Rose attempted to highlight these payments, he was faced with severe retaliation from his employers:

My attempt (to talk to the board) happened on a weekend during their convention in Minneapolis. Labour Day followed, and then Tuesday I went into work. I found a guard posted at my door; locks had been changed. The general manager demanded to see me. My services had become very, very

unsatisfactory. When I was fired, I felt virtually a sense of relief. (p34).

Pamerlee *et al* (1982) surveyed 72 women who had filed complaints of unfair discrimination with Wisconsin's Equal Rights Division. Following their complaint, the women reported, in varying degrees, of being excluded from staff meetings, suffering a loss of perquisites, receiving less desirable work assignments, obtaining a heavier workload, having their work more stringently criticised and being pressured to drop their action. Similarly, in a survey of other whistleblowers, Jos *et al* (1989) found that 69% of those in the private sector and 59% of those in the public sector lost their jobs. Others, in the same survey, experienced a reduction in responsibilities or salary, or suffered harassment or work transfer.

These cases demonstrate that, traditionally, whistleblowers have frequently met with severe retaliation by their own organisations. According to Pamerlee *et al* (1982), this is a response to the uncertainty that whistleblowers create, and that retaliation may be intended to silence the perpetrator, or prevent the complaint from being made public. It may also, they maintain, be intended to discredit the whistleblower, or to deter others from complaining in the future.

Whistleblowing - the modern view

Attitudes towards whistleblowing appear to have evolved to a newer plane, just as attitudes towards organisations themselves began to evolve. Zeff (1978) notes how in the 1970s, the traditional view of organisations began to change. Hitherto, seen as providers of employment and creators of wealth, organisations then began to be held responsible for the social, economic and environmental consequences of their transactions. As outlined above, 1971 saw the first successful litigation against an asbestos manufacturer. The late 1970s saw an explosion of lawsuits in the United States, and huge awards were made against companies, resulting in an insurance crisis as insurers refused to provide an adequate level of product liability cover.

As companies were made more accountable for their actions, the attitude towards whistleblowers also began to change. Near (1989) recommended that management commence encouraging whistleblowing on the grounds of expediency and ethics. Referring to the ill fated *Challenger* space shuttle flight in 1986, Near's research outlines how the manufacturers of the defective O-rings in the booster rockets, had ignored the pre-flight protests of one of their engineers. As a result of the crash, the manufacturers faced lawsuits from the families of the seven astronauts who died, and were forced to withdraw from future bids for NASA contracts.

Boyle (1990) explains how the actions of whistleblowers can benefit society;

The potential negatives of organizational power are generally kept in check by a combination of market forces and government regulation. However, situations occur that the market and government are not able to correct before society is adversely impacted. In these situations it is incumbent upon the individual to intercede (i.e. blow the whistle) on behalf of the common good. (p.823).

Paul and Townsend (1996) argue on a similar basis, advising employers to create an atmosphere of trust in an organisation, thereby encouraging employees to report wrongdoing without fear of reprisal. Creating a supportive environment for whistleblowers will, they argue, improve employee morale and help companies to avoid fines and litigation. Slovin (2006) justifies the installation of a whistleblowers' hotline within organisations on the basis that US businesses are defrauded of more than \$600 billion each year. Allard (2006) maintains that organisations without reporting mechanisms, such as whistleblower hotlines, suffer fraud-related losses which are more than twice as high as those which employ such mechanisms.

Applebaum & Mosseau (2006) in referring to the *WorldCom* scandal noted above, stress the contribution that can be made by the whistleblower, in terms of saving money, by way of early reporting of wrongdoing. Similarly, the *Parmalat* scandal, also referred to earlier, almost resulted in the Italian food giant going out of business in 2003. Again, earlier reporting, by a whistleblower or whoever could have dramatically reduced the scale of the loss. In Ireland, the unacceptable accounting practices of Irish pharmaceutical firm *Elan*, were exposed by the *Wall Street Journal* in 2002, resulting in a 30% fall in their share price. Here again, early reporting of the incorrect accounting could have reduced the damage.

As the perception of the whistleblower's role has continued to improve, legislative changes have also offered authoritative support. The *Sarbanes-Oxley* Act, enacted in the United States in 2002, contained measures designed to protect whistleblowers against retaliation by employers. Difficulties remain however, and Applebaum and Mosseau (2006) report that 44% of non-management employees don't report misconduct that they observe. Similarly, Gurchiek (2006) maintains that only 47% of individuals are likely to report unethical activities that occur in the workplace. There have also been setbacks in the regulatory area, with the U.S. Supreme Court in the case of *Garcetti v Ceballos* (2006), ruling that government employees did not have protection from retaliation by their employers under the First Amendment of the Constitution. In response to the Supreme Court decision, the Whistleblower Protection Act of 2007 was passed by the House of Representatives, but has yet to be voted on by the Senate.

The actions of these whistleblowers, which uncovered numerous unacceptable practices, have been an influential factor in elevating the whistleblower to a figure who is not merely socially responsible, but who can also add value to a company by reporting irregularities early enough so that they can still be remedied. It would be hoped therefore that current employees of corporations would have a positive attitude towards the whole concept of whistleblowing.

Objective and motivation

The above summary of whistleblowing in the corporate environment provides the motivation for this study. The Irish economy has seen spectacular corporate rises and collapses in the first decade of the current century. The purpose of this paper is to attempt to evaluate the perception and role of whistleblowing amongst corporate employees (using officers from a financial institution as a subset) in Ireland. Has the *traditional* view of whistleblowing (a disloyal activity to be frowned upon) been replaced by a more *modern* view (sympathetic and supportive)?

There is a need for more research into Irish attitudes towards whistleblowing as current research is sparse and international studies have demonstrated how national and cultural factors impact upon ethical decision making in business settings. For example, a comparative study in 2000, found that Irish business students were far less likely to be whistleblowers – by reporting incidents of wrongdoing or fraud - than their Australian counterparts (O'Leary and Cotter, 2000). Hence, to generalise from the studies of other Western style business environments to the specific Irish case may not be reflective. This study therefore focuses on the Irish environment.

Organisation of the Paper

The remainder of this paper is organised as follows. A literature review section follows which is split into two components, the traditional view of whistleblowing and the more modern view, which describes how the attitude to whistleblowing may have changed in recent decades. Section three then outlines the research questions (RQs) derived from the literature and the methodology then utilised to test these RQs. Section four summarises and analyses the results. Finally section five concludes the paper and offers some future research possibilities.

2. Literature Review

Whistleblowing - the *traditional* view

Consider the following comments of Brooks and Dunn (2007) as typical of many commentators in evaluating attitudes towards whistleblowing.

Whistleblowing, although it could contribute to a more ethical organisation, is nonetheless something most North Americans were taught not to do when they were growing up, and a stigma continues to be attached to it. (p. 479).

Near and Miceli (1985) note the unpalatable aspect of the practice, because by its very nature whistleblowing involves disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers and/or fellow work colleagues. Also this reporting of undesirable practice by one's work peers or superiors, may be to persons outside the organisation that may be able to effect action, if all attempts at internal resolution have failed. Hence it will involve external disclosure of internal practices.

Prior to the 1960s, organisational culture allowed little room for employee rights. Loyalty to the firm was the expected norm, and employees could often be dismissed without justification or reason. Amidst such a penal environment, support for whistleblowers was non-existent, and irregularities went undisclosed as organisations revealed only what was perceived to be in their best interests. An example was the link between asbestos and lung disease, which was established as far back as 1924, but was actively suppressed by those profiting from its use. The first successful litigation against an asbestos manufacturer in fact did not take place until 1971. Thus, employees were largely regarded as agents of their organisation, and were expected not to reveal information that could prove damaging to their employers.

Boatright (2003) describes how in a 1971 speech, James M. Roche, then chairman of the General Motors Corporation, attacked the process of whistleblowing;

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, whistleblowing or professional responsibility - it is another tactic for spreading disunity and creating conflict. (p.78).

Given the negative sentiment towards whistleblowers, it is not surprising to learn that they have often been harshly dealt with by their employers. Glazer (1983) identified ten cases of whistleblowing and examined the personal consequences for each of the whistleblowers. The cases include that of Justin Rose who was hired as an in-house attorney in 1973 by the Associated Milk Producers Incorporated, where he quickly became aware of illegal payments being made to politicians. When Rose attempted to highlight these payments, he was faced with severe retaliation from his employers:

My attempt (to talk to the board) happened on a weekend during their convention in Minneapolis. Labour Day followed, and then Tuesday I went into work. I found a guard posted at my door; locks had been changed. The general manager demanded to see me. My services had become very, very

3. Research Development and Methodology

Research questions (RQs)

The objective of this paper is to investigate the attitude of Irish employees to whistleblowing in the current business environment. Based upon the preceding discussion and literature review, it is difficult to predict how respondents will react and whether the traditional view of whistleblowing still exists or a more tolerant modern view prevails. Hence four research questions are proposed.

RQ1: If faced with an ethical dilemma, and given the opportunity to inform on improper conduct, will employees become whistleblowers?

RQ2: What is the motivation for employees in deciding to become a whistleblower?

RQ3: What is the motivation for employees in deciding not to become a whistleblower?

RQ4: What is the overall perception employees have as regards attitudes towards whistleblowing in their organisation?

Participants

A large financial institution was approached to participate in the study. Its staff are a subset of the full spectrum of corporate employees in Ireland who could potentially be faced with a whistleblowing dilemma. It is acknowledged that the results from a single organisation may not be representative of organisations as a whole, as argued by Denzin and Lincoln (2000) among others. As well, primarily due to the sensitivity of the topic, the sample size is small. Nonetheless, the authors believe that the results of this study will make a significant contribution, by adding to the knowledge base of attitudes towards whistleblowing in corporate Ireland.

Given the sensitive nature of the research topic, it was decided to focus on one organisation, to whom an assurance of anonymity was provided. A specific branch of that organisation was identified, and access to staff was provided by the branch manager. The survey method was used to gather the data necessary for the study, with forty two employees being asked to complete a survey instrument (below). Thirty two responses were received, of which 18 were male and 14 female.

Survey instrument (SI) and methodology

The survey instrument comprised eighteen questions with structured response categories. The respondents were not requested to sign the questionnaires, as it was felt that their anonymity was essential in protecting the integrity of the data.

The SI contained 5 scenarios involving unethical and/or illegal behaviour being conducted by a member(s) of a financial institution. The 5 scenarios

involve a loan officer discovering the following during the course of his/her work:

- (i) The institution's advertising posters fail to adequately disclose the full charges associated with a loan to customers;
- (ii) The officer's immediate boss adds an unauthorised charge (for his/her personal gain) onto a loan to customers;
- (iii) A colleague uses "inside information" and buys shares in a client before news of its expansion becomes public knowledge;
- (iv) The officer's immediate boss breaches the institution's code of conduct by disclosing confidential information about a client to a third party; and
- (v) A colleague from a separate department breaches the institution's code of conduct by disclosing confidential information about a client to a third party.

For each scenario, the participants were offered three choices: report the incident internally, report the incident externally, or do not report the incident. The responses to these five questions were used to evaluate RQ1.

For the first three scenarios the respondents were then asked their reason for reporting/not reporting the incident. Three options were listed as reasons for reporting the incident(s): responsibility to the institution and its customers, hope for improved promotional prospects and hope for a positive reaction from work peers. The responses to these three questions were used to evaluate RQ2.

Four options were listed as reasons for not reporting the incident(s): loyalty to the institution, fear of a negative impact on promotional prospects, fear of a negative reaction from work peers and considering the incident outside their realm of responsibility. The responses to these three questions were used to evaluate RQ3. (Appendix A, provides an example of one scenario, the response options for that scenario, and the response options for the reason for selecting that particular response).

Finally the participants were asked two questions about their institution and whistleblowing. First, whether they were familiar with their employer's Ethical guidelines. Second, how they would describe the general attitude towards whistleblowing in their institution. The responses to these two questions were used to evaluate RQ4. (Appendix B, lists these two questions).

4. Results

Employees' willingness to whistleblow (RQ1)

Respondents were presented with five scenarios, and asked to indicate whether they would whistleblow or ignore the incident in each instance. The scenarios were presented in the order listed above. Table 1 summarises the results in raw data form.

	Report Internally	Report Externally	Ignore the incident
Scenario1	11 (35)	2 (6)	19 (59)
Scenario2	20 (62)	5 (16)	7 (22)
Scenario3	16 (48)	2 (7)	14 (44)
Scenario4	14 (44)	1 (3)	17 (53)
Scenario5	14 (44)	2 (6)	16 (50)
Combined Average	15 (47)	2 (7)	15 (46)

Table 1 indicates that in scenario 1, 41% (35% plus 6%) of the employees would report the misleading advertisements (either internally or externally) while 59% indicated that they would ignore them. In scenario 2, 78% of employees would report the overcharging, with 22% choosing to ignore it. In scenario 3, 56% of employees would report the insider trading, while 44% would choose to ignore it. Scenarios 4 and 5 yielded figures of 50% and 54% respectively, being prepared to report the breaches of ethical conduct, with 50% and 46% respectively choosing to ignore them.

These results would tend to suggest there is still not strong support for whistleblowing. For three of the five scenarios, numbers 1,4 and 5, at least half of the respondents would not get involved. For scenario 3 just over half would report the incident. Only 1 of the five scenario (number 2) offered strong support for informing on an unauthorised activity. A combined average of the five scenarios, shows just a 54% overall willingness to become a whistleblower, and this average figure is strongly influenced by the major support for reporting the incident in scenario 2 (which highlights a blatantly illegal activity).

Further evidence of weak support for whistleblowing is evident in an analysis of the participants' responses when asked (for the first three scenarios) whether they would prefer to report internally to the branch manager, or externally to a regulatory body. Of those employees who would report the misleading advertisement in scenario 1, 85% would prefer to report internally, with 15% preferring to report to a regulatory body. For scenario 2, 84% would prefer to report internally, with 16% preferring to report to a regulatory body. Finally, as regards scenario 3, 67% would prefer to report internally, with 33% preferring to report to a regulatory body. Looking at the combined average just 7% were prepared to report outside their organisation.

Reason for whistleblowing (RQ2)

Employees who indicated that they would whistleblow in any of scenarios 1-3 above were then asked to choose from three reasons, why they were prepared report the wrongdoing. Table 2 summarises the results.

	Responsibility to Employer	Improve Promotional Prospects	Positive Reaction from Peers
Scenario 1 (n = 13)	13 (100)	0 (0)	0 (0)
Scenario 2 (n = 25)	17 (68)	8 (32)	0 (0)
Scenario 3 (n = 18)	15 (83)	3 (17)	0 (0)

For scenario 1, all respondents indicated that the reason they would report the wrongdoing was out of a sense of responsibility towards his/her company. Similarly, a sense of responsibility to his/her company was given by 68% of respondents as the reason for reporting the misleading advertisement, in scenario 2 and 83% in scenario 3. For scenario 2, 32% said they would report because it would have a positive career impact and 17% listed this as their reason for reporting in scenario 3. No respondent in any of the three scenarios listed positive peer reaction as a reason for whistleblowing.

These figures would tend to suggest that a sense of responsibility to their organisation and their

customers dominates as the reason why employees are likely to whistleblow on a work colleague. The prospect of personal gain either by career advancement or positive peer reaction does not appear to be a significant motivating factor

Reason for not whistleblowing (RQ3)

For each of the first three scenarios, employees who chose not to whistleblow were asked to indicate their reason. Four alternative explanations were provided, and employees were asked to choose the option which they felt was most applicable. Table 3 summarises the results.

Table 3. Reasons for not becoming a Whistleblower n = 32. (% in brackets)

	Responsibility/ Loyalty to Employer	Impede Promotional Prospects	Negative Reaction from Peers	Not their responsibility
Scenario 1 (n = 19)	7 (37)	5 (26)	0 (0)	7 (37)
Scenario 2 (n = 7)	0 (0)	0 (0)	2 (29)	5 (71)
Scenario 3 (n = 14)	5 (36)	2 (14)	3 (21)	4 (29)

In scenario 1, 19 employees had indicated that they would ignore the misleading advertisement and thereby refrain from whistleblowing. 37% of those indicated that they would do so out of a sense of loyalty to the company, 26% feared that reporting could have a negative impact on their career, while 37% viewed it as being outside their realm of responsibility.

In scenario 2, 7 employees had indicated that they would ignore the overcharging. 71% of those viewed it as being outside their realm of responsibility, while 29% feared a negative reaction from colleagues. Finally, for scenario 3, 14 employees had indicated that they would ignore the insider trading activity. 36% of those cited a sense of loyalty to the company, 29% viewed it as being outside their realm of responsibility, 21% feared a negative reaction from colleagues, while 14% felt that it would have a negative impact on their career.

The predominant reason from the three scenarios appears to be employees considering whistleblowing as outside their realm of responsibility. Whether this indicates a genuine concern for overstepping their work responsibilities or simply an intention not to get involved is a moot point. Irrespective of which reason, the high level again tends to suggest weak support for the whistleblowing concept.

Perception of attitudes towards whistleblowing (RQ4)

The final survey questions asked employees to describe the attitude towards whistleblowing in their organisation. First, they were asked if they were familiar with their organisation's ethical guidelines. All responded in the affirmative. They were then given five alternative descriptors to define the overall attitude to whistleblowing in their organisation. The results are outlined in Table 4 below.

Table 4. Employees' perception of the attitude towards whistleblowing. n = 32. (% in brackets)

Attitude	# (%)
Very Supportive	2 (6)
Supportive	7 (22)
Neutral	16 (50)
Not Supportive	7 (22)
Hostile	0 (0)

These results indicate that a large proportion (50%) of the employees in the sample regarded the attitude of their organisation towards whistleblowing as neutral. No respondent viewed the organisational climate to be hostile towards whistleblowing, which would tend to support the notion of a move away from the traditional (negative) attitude towards the concept. However, the two facts that very few (just 6%) consider their organisation to be very supportive, and the 50% neutral response would not tend to support the notion of a more modern (sympathetic) attitude towards the concept.

Gender differences

As mentioned previously, of the thirty two responses received, 18 were male and 14 female. Previous studies, such as those by Fisher and Lovell (2003) Serwinek (1992) and Ameen *et al.* (1996) have provided evidence of the influence of gender on ethical decision making. The responses were divided on gender lines to see if there were significant differences. Table 5 lists the overall response of participants to scenarios 1 to 5 and then splits them by gender. Columns 2 and 3 list the overall decision to whistleblow or not, in percentage terms. Columns 4 to 7 then split the responses on gender grounds.

	Total		Male		Female	
	Report Incident	Ignore incident	Report Incident	Ignore incident	Report Incident	Ignore incident
Scenario1	(41)	(59)	(28)	(72)	(57)	(43)
Scenario2	(78)	(22)	(67)	(33)	(93)	(7)
Scenario3	(56)	(44)	(44)	(56)	(71)	(29)
Scenario4	(47)	(53)	(45)	(56)	(50)	(50)
Scenario5	(50)	(50)	(34)	(67)	(71)	(29)
Combined Average	(54)	(46)	(44)	(56)	(68)	(32)

Of male employees, 28% would report scenario 1, with 72% choosing to ignore the issue. For female employees, a far higher proportion, 57% would report the misleading advertisements, with 43% choosing to ignore them. For scenario 2, 67% of males would report while 33% would choose not to. For females, again a larger proportion, 93% indicated that they would report the overcharging, with only 7% choosing to ignore it. Similarly, for scenario 3, 44% of males would report with 56% deciding not to do so, with the female employees proportions increasing to 71% who would report with only 29% choosing not to. Finally for scenarios 4 and 5 respectively, 45% and 34% of males would report the issue with 56% and 67% declining to do so. The female comparatives are again higher with 50% and 71% deciding to report the issues. Only 50% and 29% of females, as opposed to the higher male percentages would decline to do so.

Looking at the combined average percentages, females appear 1.5 times more likely to become whistleblowers than males. Hence a strong gender effect is current in this study.

An analysis of gender differences as regards the other research questions, namely the reasons for whistleblowing or not, did not yield any significant findings. Similarly, as regards perceptions of attitudes, no real differences were discovered.

5. Summary and Conclusions

This paper examines the modern attitude to whistleblowing by corporate employees in Ireland, based on a survey of employees from a large Irish financial services institution. Historically, whistleblowers have been frowned upon and viewed as disloyal employees who open up their organisation to the unwelcome scrutiny of outsiders. Increasingly, however, society has begun to hold its organisations responsible for their actions, and whistleblowers has come to be viewed as potentially adding value to their employers' organisations as a result of their actions. It is considered timely therefore to address these issues and add to the literature in the area.

The results of this study would tend to suggest there is still a lack of significant support for the concept of whistleblowing in the corporate

environment. For three of five whistleblowing scenarios a majority of employees chose to ignore an issue rather than report an unethical and or illegal activity. Strong support for informing on an unethical colleague was only found in one of the remaining two scenarios. Male employees were also found to be 1.5 times less likely to whistleblow than their female colleagues, revealing a significant gender impact on the results.

The most common reason cited for not whistleblowing was the respondents felt it was outside their realm of responsibility. This again supports the notion of a lukewarm reception to the concept. Loyalty to their organisation was also found to be an important factor. Even when employees expressed an intention to become whistleblowers, support for the concept was still not strong in that the preferred method of reporting a breach was to do so internally, rather than report to an outside party or regulatory body.

Some evidence of a more sympathetic (modern) attitude to whistleblowing was discovered. For example, in the instances where participants indicated a willingness to become whistleblowers, a sense of responsibility to their organisation and their customers dominates as the reason rather than any hope of personal gain via promotion or peer respect.

Finally, in terms of the employees' perceptions of their organisation's support for whistleblowing, half of the respondents viewed the climate as 'neutral', and only six percent saw it as being very supportive. This would again tend to suggest less than strong support for the concept.

The results are concerning, particularly the reluctance of male employees to report wrongdoings. Also, the fact that a sense of responsibility to the organisation was cited as a significant reason for not whistleblowing may be a concern. This would end to suggest that organisations need to more actively espouse the advantages of whistleblowing if employees are to be convinced of its benefits.

Limitations

The limited sample size has been acknowledged previously as a limitation of this study. Similarly, whether these results can be generalised from one institution to the corporate environment as a whole

cannot be proved. Also focusing on the raw data and percentages does not allow for robust statistical support for the findings. However the qualitative strengths of the paper such as the use of actual rather than proxy subjects and the intention to focus on the core issues, so that future research can be steered in the right direction, appear to justify the approach to this pioneering study in an Irish environment.

Future research can expand the current sample size to see if the same patterns of attitudes occur. Also public versus private sector comparisons of attitudes could be explored using the methodology of this study. Finally international comparisons of attitudes could be compared.

References

1. Allard, J (2006). Ethics at work. *CA Magazine*, 139(6), p 30-35.
2. Ameen, E. C., Guffey, D. M., & McMillan, J. J. (1996). "Gender differences in determining the ethical sensitivity of future accounting professionals". *Journal of Business Ethics*, 15(5), 591-597.
3. Applebaum, S. H. & Mousseau H. (2006). Whistleblowing: International implications and critical cases. *The Journal of American Academy of Business*, Cambridge, 10(1), p 7-13.
4. Boatright, J (2003) *Ethics and the conduct of business*. Prentice Hall, New Jersey.
5. Boyle, R.D. (1990) A Review of whistleblower protections and suggestions for change. *Labour Law Journal*, 41(12), p821-830.
6. British Broadcasting Corporation (2006).
7. Dellaportas S, Gibson K, Alagiah R, Hutchinson M, Leung P. & Van Homrigh D. (2005). *Ethics, Governance and Accountability*. Wiley, Australia.
8. Denzin, N.K & Lincoln, Y. (2000), *Lincoln Handbook of Qualitative Research*, London.
9. Fisher, C. M., & Lovell, A. (2003). *Business ethics and values*. (Harlow, England New York: FT Prentice Hall).
10. Glazer, M. (1983). Ten whistleblowers and how they fared. *The Hastings Center report*, 13(6), p 33-41.
11. Gurchiek, K (2006). U.S workers unlikely to report office misconduct. *HR Magazine*, 51(5), p38-39
12. Jos et al. (1989). In praise of difficult people: A portrait of a committed whistleblower. *Public Administration Review*, 49(6), p 552-561.
13. Nadler J. and Schulman M. (2006) www.scu.edu/ethics.
14. Near, J.P. & Miceli, M.P (1995). Effective whistleblowing. *The Academy of Management Review*, 20(3), p679-708.
15. Near, J.P. (1989). Whistleblowing: Encourage it! *Business Horizons*, (32) 1, p2-7.
16. O'Leary, C. & Cotter, D. (2000). The Ethics of Final Year Accountancy Students: an International Comparison. *Managerial Auditing Journal*, (15) 3, p108-115.
17. Parmelee et al. (1982). Correlates of whistleblowers' perceptions of organizational retaliation. *The Administrative Science Quarterly*, 27(1), p 17-34.
18. Paul, R.J. & Townsend, J.B (1996). Don't kill the messenger! Whistleblowing in America - A review with recommendations. *Employee Responsibilities and Rights Journal*, 9(2), p149-160.
19. Serwinek, P. J. (1992). "Demographic & Related Differences in Ethical Views Among Small Businesses". *Journal of Business Ethics*, 11(7), 555-566.
21. Slovin, D (2006). Blowing the whistle. *Internal Auditor*, 63(3), p45-49
22. Zeff, S. (1978), The Rise of Economic Consequences. *The Journal of Accountancy*, December. p 56-63.

Appendix A. Example Scenario and Responses

Q3	The lending manager in your branch has recently launched a poster campaign advertising low interest rate car loans. The small print of the posters however indicates that a management fee of 2% will be charged annually. This fee will increase the cost of the loans considerably. While the advertisements are not illegal, you feel that they will mislead your customers. Do you? (Please tick one box)	
A	Report the incident to your branch manager.	<input type="checkbox"/>
B	Report the activities to an external body such as the Irish Financial Services Regulatory Authority.	<input type="checkbox"/>
C	Ignore the incident and continue with your work as normal.	<input type="checkbox"/>

Please answer either Q4 or Q5

Q4	If you chose to report your concerns regarding the advertisement from Q3, what was the main reason behind your decision?	
A	Sense of responsibility to customers/organization.	<input type="checkbox"/>
B	Anticipate that reporting the activity will have a positive impact on your career.	<input type="checkbox"/>
C	Anticipate a positive reaction from co-workers.	<input type="checkbox"/>

Q5	If you chose not to report your concerns regarding the advertisement from Q3, what was the main reason behind your decision?	
A	Loyalty to your company.	<input type="checkbox"/>
B	Fear of negative reaction by co-workers.	<input type="checkbox"/>
C	Fear of negative impact that reporting the incident would have on your career. (e.g. loss of promotion opportunities).	<input type="checkbox"/>
D	Reporting the incident is outside the realm of your responsibility.	<input type="checkbox"/>

Appendix B – Questions Gauging Attitudes towards Whistleblowing

Q17	Are you familiar with the provisions of your institution's Ethical Guidelines?	
A	Yes	<input type="checkbox"/>
B	No	<input type="checkbox"/>

Q18	In general, how would you describe the attitude towards whistleblowing in your organisation?	
A	Very Supportive	<input type="checkbox"/>
B	Supportive	<input type="checkbox"/>
C	Neutral	<input type="checkbox"/>
D	Not supportive	<input type="checkbox"/>
E	Hostile	<input type="checkbox"/>