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Social innovation in work organization, Stream 16: Whistleblowing in working life

Whistleblowing in the light of loyalty and transparency

Introduction

The aim of the paper is to raise questions about loyalty, whistleblowing and transparency in public organisations. In the first part we present the picture of a new form of loyalty in working life. A so called rational loyalty is replacing the traditional autocratic loyalty due to development in society and the legal framework, as presented by Wim Vandekerckhove (2006: 124-134). This development is supporting acts of whistleblowing. However, in the paper we argue that the picture is much more complex and whistleblowing is often hindered in practise in spite of developments in organisational policies and law. Therefore, we would also like to discuss if increased organisational transparency can promote more ethical behaviour and whistleblowing in public organisations. In the second part of the paper we discuss the prerequisites for rational loyalty in the Swedish public sector. We present different kinds of loyalty forms, which can be seen as counterforces to rational loyalty, whistleblowing and transparency at workplaces in the public sector.

A new kind of loyalty supporting whistleblowing?

The starting point of the concept of whistleblowing is usually considered to be a conference held in Washington 1971. In a book about the conference whistleblowing is defined as:

“the act of a man or woman who, believing that the public interest overrides the interest of the organisation he serves, publicly ‘blows the whistle’ if the organisation is involved in corrupt, illegal, fraudulent or harmful activity” (Nader, 1972: vii).

Employees take, according to this definition, *either a public or an organisation interest*. Implicit in this definition is that an employee cannot be loyal to the organisation and blow the whistle at the same time. Whistleblowing and loyalty is, according to this view, contradictory, not least according to the traditional view that employees should have undivided loyalty towards their employer. Expressing critique or blowing the whistle is, from a traditional management point of view, seen as a breach of that loyalty. The disclosure of misconduct or harmful activity by employees is a betrayal of the organisation (Walters, 1975).

However, a new view of what it means to be a loyal employee is emerging as a consequence of development in research, legislation and working life the last two or three decades. In the

new practice employees who deliver critique or blow the whistle internally are seen as loyal. Critique is asked for and is used for correcting mistakes and misbehaviour in organisations. For example, Wim Vandekerckhove (2006: 124-134) uses the concept rational loyalty for this kind of new loyalty. There has, during the last decades in research and practice, been a development of corporate social responsibility, consumer activism and sustainable working life. The development of these new practises has influenced organisations to focus more on ethical issues. Organisations want to be seen as responsible parts of society and these values are made explicit in missions, goals, strategies and reports. According to Vandekerckhove rational loyalty is to report behaviour that depart from the explicit mission of the organisation. The employee is seen to be loyal to the explicit missions and goals, not to hierarchy or positions. Whistleblowing is institutionalized through whistleblowing policies, which is either required or supported by legislation. The USA was first and then in 1990s and 2000s several other countries such as Australia, the UK, Japan and Belgium have developed whistleblowing legislation. The whistleblowing policies are routines for where and how critique should be delivered (Vandekerckhove, 2006: Chapter 1). Examples from Sweden, where employees are required to report deviations from normal procedure, are in the health care sector – according to the legislation Lex Maria and Lex Sarah. Employees have a duty to report incidents, thus to be a loyal employee in this context is to report hazardous behaviour or incidents (Fransson, 2013: Chapter 3).

In Nader's definition above, whistleblowing is seen as an external act. The reporting is channelled to an external part, for instance media or authorities. Later research differentiates between internal and external whistleblowing. It has been shown that most whistleblowers use internal channels before external ones. Janet Near and Marcia Micelis (1996: 509) definition, which is often used, emphasise the need to take action against the wrongdoing, which is a more active view on whistleblowing. Whistleblowing is: "the disclosure by organization 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 effect action." (Near and Miceli, 1996: 508). To sum up, there seems to be overconfidence in legislation and whistleblowing policies being enough to support internal and external whistleblowing.

Counterforces to rational loyalty in practise

In practise there are counterforces to whistleblowing and the rational loyalty that are said to support it. In a recent interview study (Börnfelt, forthcoming) with 89 employees from the health care- and education sectors in the western part of Sweden two counterforces were found:

1. Managers acted by the traditional view of loyalty (i.e. that employees should have undivided loyalty towards their employer, expressing critique or blowing the whistle was a breach of that loyalty, a betrayal of the organisation), which we would like to label *authority loyalty*. One third of the interviewees reported that it was very difficult to deliver critical issues to the closest manager. Critique about for instance working conditions, hazardous, illegal or unethical issues concerning patients or students were met with very negative reactions from managers. Employees got yelled at, were asked to seek psychology help or

should seek for a new job, were met with silence and ignored, or were assigned to work tasks with lower status. The managers in this group seem to have an autocratic leadership style where critique is seen as a threat to authority and a disloyal act. At the same time, in the healthcare sector, employees have an obligation to report deviations from normal and safe procedures. Employees thereby experience a dilemma. Should they report incidents according to rules and regulation or should they keep silent and avoid reprisals from managers? To put it briefly, the organisation asks for incident reporting in line with rational loyalty but employees are met in practise with reprisals in line with authority loyalty.

2. Employees in both private and public schools reported that managers had told them to withhold information to parents and politicians. The employees also reported self-censorship about for instance lack of resources in the school. Both managers and employees are aware of that the school is *exposed to competition and that bad publicity* result in parents choosing other schools for their children.

Thus, rational loyalty (i.e. to deliver critique or blow the whistle internally) is not sufficient as a remedy for disclosing misconduct in public organisations. We have presented two counterforces, autocratic leadership building on authority loyalty and protection of the brand. In the next part of the paper we will take this argument a step further. However, to have the chance to use the right to influence publicly funded organisations citizens have to know what is going on inside these organisations. It is in their interest that they are *transparent* for securing that they are well functioning and give the service they should provide according to laws and regulations.

How to support ethical conduct in public organisations by transparency?

How, then, can we understand organisational transparency? The concept is used in discussions about democracy and electoral procedures, the financial sector and more open and just accounting, Corporate Social Responsibility (e.g. standards and codes for CSR) and fighting corruption and promoting good governance. In our paper we would like to link our discussion about transparency to the latter area (i.e. how transparency can promote whistleblowing in organisations in order to overcome corruption and other misconduct). Christina Garsten and Monica Lindh de Montoya (2008), editors of an anthology about transparency, argue that:

“transparency has come to be viewed as an important means for organizations and individuals to cleanse themselves of mistrust and accusations of various kinds...to unveil the hidden, to disclose the closed, to reveal the concealed...” (2008: 19).

The authors emphasize that open and reliable information:

“is the crucial component of transparency processes. Government and their institutions must provide reliable information in order to be considered transparent in their intentions, their policies and the implementation of these.” (2008: 5).

However, transparency is an ambiguous concept, which in an organisational setting often have a double effect. Transparency is not only a tool for tackling misconduct and unethical

behaviour. At the same time it can be seen, and is often used by management as a method to control employees in terms of work efficiency etc. Examples of how transparency is used in organisations are using glass walls, glass doors and open spaces, surveillance cameras and software solutions for access to all employees' calendars. Foucault (1977) uses the term panopticism¹ for these different kinds of visibility techniques, which has a disciplinary effect (Garsten and Lind de Montoya, 2008: Introduction). One question then, based on the above discussion, is how to balance the need to promote ethical conduct without excessive control of employees?

We would like to discuss two methods to promote transparency. 1. Whistleblowing policies support transparency by making unethical conduct visible. One question however – do they enable employees right to blow the whistle or do they make employees responsible to report colleagues? 2. Increase ethical awareness in organisations by using ethical programmes.

1. Legislation and whistleblowing policies either aim to be a choice that employees can use by free will or a duty, which makes them liable to ethics at work. Tsahurido and Vandekerckhove (2008) discuss these issues. If whistleblowing policies prescribe whistleblowing as a responsibility for employees, then to know about unethical behaviour implies a responsibility to report. There is thereby a risk that unethical behaviour will be employees responsibility, not the employers. Whistleblowing policies will in this case be a control method that the employer use to make employees responsible for ethical and unethical behaviour. For example, in the Swedish public sector employees have freedom of expression, with a few exceptions. Employees can, at free will, blow the whistle and give information to for instance media. However, Lex Maria and Lex Sarah in the health care sector make employees responsible to report deviations from standard procedures.

2. Another route to transparency is to foster ethical behaviour through the organisation culture. Benson and Ross (1998) describe an American defence contractor (Sundstrand) that carried through a culture change programme with the aim to create an ethical culture. Central activities were a code of business conduct, an ethical training programme for all employees, whistleblowing procedures including a hot line (which also included possibilities for asking questions about ethics), taking action against unethical conduct and protection of whistleblowers. In this case the organisation makes clear/transparent what is considered to be ethical and unethical conduct. When managers and employees have knowledge about ethics unethical conduct will be more visible.

Rational loyalty and other loyalty forms in the public sector

Unlike the private sector in Sweden the employees of the public sector have a more enlarged freedom of expression. In this part of the paper we discuss the presumptions of this freedom

¹ Jeremy Bentham designed in 1791 the prison Panopticon, where every prisoner could be seen from a tower in the middle. The prisoners did not know when they were being seen, thereby creating a disciplinarian effect (Garsten and Lind de Montoya, 2008: 6).

in terms of different loyalty forms.² As mentioned earlier in the paper the rational loyalty that underpins whistleblowing (Vandekerckhove 2006) can meet counterforces such as authority loyalty and protection of the brand. In this section we argue that other types of loyalties than authority loyalty can become counterforces. It can be of high relevance for legislators, managers and employees to understand the complexity of loyalties in organisations and how these can function as counterforces for transparency. Two dimensions which can be seen as conditions for public sector employees and also shapes four kinds of loyalties is developed by Arvidson & Axelsson (2014). Of course these loyalty forms also have relevance in other contexts, but the public sector is relevant in this papers discussions. The first dimension concerns the vertical and the horizontal and will be seen as social dimensions concerning hierarchies or equal groups. The secondly is a voluntary and involuntary dimension and concerns how people experience the loyalty form. The dimensions result in four different loyalty forms (see figure 1).

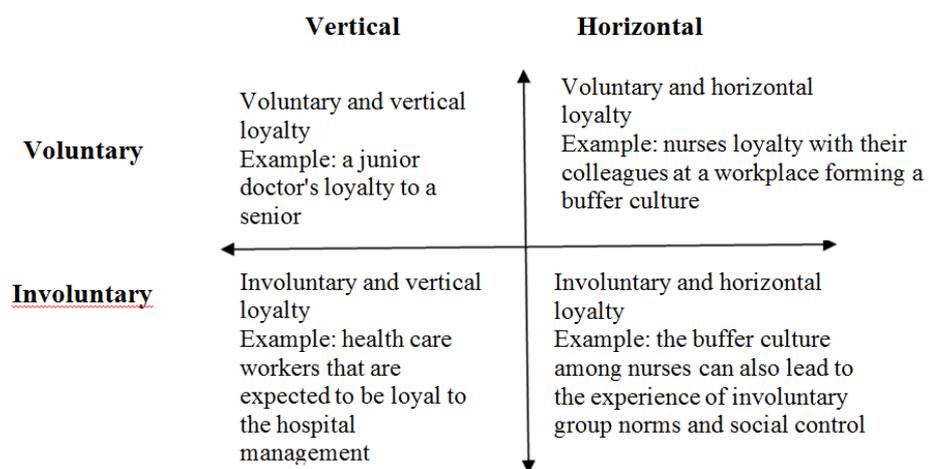


Figure 1. Typology of four loyalty forms

Voluntary and vertical loyalty can be seen when a junior doctor shows loyalty to a more experienced doctor.³ This can be explained in terms of social exchange (for classical social exchange theory see Homans 1958). The unexperienced doctor benefit from the relation by gaining acceptance from the established doctors at the workplace and the experienced doctor get someone admiring him and someone who can maintain the social norms among the doctor's culture (See also Lindgren 1999 for a discussion). The effects of the strong social bond between the junior and senior doctor in this example can be a problem if the junior

² The concept of form is inspired by Georg Simmels theory of social forms (Simmel, (2009 [1902])).

³ Example of the different loyalty forms are taken from sociological research of power relations and interactions between employees in Swedish health sectors (Lindgren 1992, 1999 and Olsson 2008).

doctor discover problems at the work place and starts to criticize the more experienced doctor. For the newcomer it can be hard to criticize the superior who has accepted him as a professional. This situation has similarities with the example with difficulties expressing critical issues to the closest manager described in an earlier section in this paper.

Voluntary and horizontal loyalty means emotional and moral bonds between members in a group of equals, who shares cultural and social norms and can develop a strong sense of connection. Eva Olsson (2008) calls this a *buffer culture*: equal colleagues develop their own culture on a workplace, sometimes as a resistance against rationalisations and poor conditions at work. A supportive buffer culture may lead to employees getting the courage to blow the whistle. Moreover, a common reason for blowing the whistle is issues about working conditions (Börnfelt forthcoming). This loyalty form is different from the other three because it can help the whistle-blower. This should be further examined in empirical studies because it's interesting how work-groups can be supportive in whistle-blowing.

Involuntary vertical loyalty is the classical and most well-known form of loyalty. We label this authority loyalty in our paper (for a discussion about authority loyalty see Börnfelt, forthcoming). As mentioned above, employees are only expected to obey. Giving critique is seen as a breach of that loyalty. In Olsson's study (2008) the nurses gave expression for a disappointment that management expected loyalty from them, but didn't give any positive reactions back to them.

Involuntary and horizontal loyalty is a form of loyalty that can be found in relations between equal colleagues where strong group norms are developed. The individual nurse in the buffer culture group can for example experience a lack of space for personal opinions and critics, because that could threaten the group. Therefore the feeling of involuntary and powerlessness can be experienced by group-members because the loyalty often demands norms of consensus: no one may criticize the group or stand out as more competent or more popular among the management as anyone else. Hence, the strong group loyalty can inhibit personal expression and an open and critical discussion.

To summarize, three of the four loyalty forms we now sketched can be counterforces to the rational loyalty (i.e. employees who deliver critique or blow the whistle internally are seen as loyal) whistleblowing and transparency. This is illustrated in figure 2 with the same examples from the public sectors as in figure 1. It is the three outcomes in figure 1 that functions as examples in figure 2 to illustrate how rational loyalty can be hard to release in an organisation. The three examples at the right of the figure are examples of counterforces to rational loyalty.

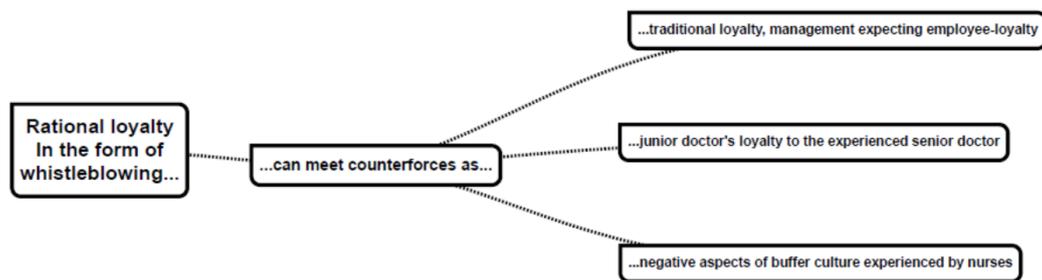


Figure 2. Rational loyalty and three loyalty forms as counterforces.

As a conclusion we think it is important to highlight the tension between rational loyalty and other loyalty forms (in the right section of figure 2). These three forms can be counterforces to whistleblowing and transparency in organisations, and we think they, together with the fourth supportive one, could be further examined.

As is emphasized by Arvidson and Axelsson (2014) different conflicts of loyalty are a consequence of the different loyalty forms, this is why people have problems with rational loyalty and do not dare to blow the whistle. In fact, “undivided loyalty” is nearly impossible. People live lives with different loyalties rather than one loyalty. And, further, when one loyalty form is neglected it seems like a focus on another loyalty form is necessary (we are inspired by Kirchhoff & Karlsson [2009] on rule breaking).. For example, when an employee is disloyal against the company a loyalty against the wider society or the common good is focused instead. To be a betrayer in one context could mean to be faithful in another, that’s why it’s important to differentiate between different loyalty forms.

A further illustration of this complexity can we draw from the metaphor of *social threads* presented by Simmel (2009 [1902]). He describes how people weave social threads between them, people are interwoven with each other and weave different social threads simultaneously. Sometimes this social threads can be tangled, and this can illustrate how people’s complex social interactions and conflicts can be a problem for rational loyalty in the context of organisations. Legislators, managers and employees need to take in consideration these social threads, creating different loyalty forms, in their discussions of the operationalization of rational loyalty, whistleblowing and transparency in organisations.

Concluding remarks

In this paper we have put forward factors that potentially can benefit whistleblowing such as rational loyalty and transparency. However, we do not give any definitive answers. Instead our purpose has been to ask questions and discuss possible counterforces to rational loyalty and whistleblowing. Employees in public organisations often meet double messages, plural loyalties and sometimes very difficult dilemmas. On one hand employees have freedom of expression, and in some cases do they have a duty to report critique. On the other hand employees are not seldom met with reprisals from management when blowing the whistle

internally and even more so externally. Another silencing factor is protection of the brand for example schools exposed to competition. The brand can suffer heavily from external whistleblowing about for example bullying and violence at the school. These problems and dilemmas we would like to study in a future research project.

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