

Whistleblowing: A Survey of Literature

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Corporate whistleblowing can play a crucial role in protecting shareholder interests. When an employee of an organization makes public, any illegal or illegitimate act of the organization, undesirable public scrutiny, legal action and regulatory act may result. Regardless of an enormous increase in whistleblowing activities in organizations recently, little research has been done about the types of organizational wrongdoings, the whistleblowing process, what distinguishes whistleblowing from organizational loyalty, and what are the various laws to protect whistle blowers from organizational retaliation. This paper first highlights the relevant literatures regarding the types of whistleblowing and the whistleblowing process. Second, it discusses about how organizational loyalty differs from whistleblowing. Next, this paper discusses about the reasons and the motivations of the whistleblowers. Finally, it emphasizes on the consequences of whistleblowing and what are some of the various laws to protect the whistleblowers.

Introduction

The number of whistleblowing activities in the US and elsewhere has increased evidently in the recent years. Apart from the Cynthia Cooper and Sherron Watkins (whistleblowers at WorldCom and Enron, respectively), there has been an increase in the exposure of current potential wrongdoings to supervisory bodies and enforcement agencies across the world (Bowen *et al.*, 2008). The term whistleblowing originated from the practice of English policemen who blew their whistle when they observed the happening of some crime. The blowing of whistle alerted other law enforcement officers and the general public that a crime was being committed. A standard definition of whistleblowing over the years has been adopted by various authors doing research in this field. According to this definition whistleblowing is, "The disclosure by organization members (former or current) of illegal, immoral and illegitimate practices under the control of their employers to persons and organizations that may be able to effect action" (Near and Miceli, 1985).

For an act of whistleblowing to happen, it must involve at least four elements, (1) the person who is blowing the whistle or the whistleblower, (2) the complaint or the wrongdoing that is being reported, (3) the organization in general or an individual or a group of people working in the organization who is/are committing the wrongdoing and (4) the party who is receiving the complaint of wrongdoing from the whistleblower (Near and Miceli, 1985 and 1996; Dworkin

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and Near, 1997; and Rocha and Kliener, 2005). The act of whistleblowing is not meant to cause harm to the organization, rather, it is to facilitate the exposure of committing questionable acts by a party that may harm the interests of the organization and such an act is also against the values of the organization (Miceli and Near, 1988).

Whistleblower, as a word is used to indicate a person who is an employee or has been an employee of an organization who reports the happenings of some wrongdoings within that organization from an individual who is an outsider or has never been employed in that organization (Near and Miceli, 1985; and Rocha and Kliener, 2005). Whistleblowers may be internal or external depending upon the party to whom the complaint is made. If the complaint of wrongdoing is made by the whistleblower to persons within the organization such as the top management, the complainant is called an internal whistleblower. If, on the other hand, the complaint is made to an external body outside an organization such as the government or any law enforcement agency, the complainant is called an external whistleblower (Near and Miceli, 1996; Bouville, 2007; and Ponnu *et al.*, 2008).

The next thing to consider is whether the whistleblowers have some unique characteristics that separate them from other employees who may have the knowledge of wrongdoing but have chosen to ignore it and not report it to the concerned authorities. Studies in this aspect say that whistleblowers are likely to be persons who have more positive job response, have professional positions in the company, their tenure or period of service in the organization was comparably longer, were a part of a large workgroup within the organization and the general perceptions about the company which employed them was that it will be responsive to employee complaints (Miceli and Near, 1988; Dworkin and Near 1997; Miceli *et al.*, 2001; and Rehg *et al.*, 2008).

Types of Whistleblowing

The types of wrongdoing which is important and material enough to warrant whistleblowing is the first thing to be analyzed while reviewing the literature. A whistleblower generally blows the whistle on acts of wrongdoing that are illegal as well as on those acts which are considered immoral and illegitimate as per the perceptions of the whistleblower. As per the law, both in the US and UK, whistleblowing is needed if the type of wrongdoing by the organization is perceived by the whistleblower to harm some or a part of the members of the society and is against public policy (Miceli and Near, 1996). The wrongdoing should also be material which means that the costs associated with such wrongdoing should be sufficient to pursue investigation. Finally, from an ethical viewpoint, the whistle blower should perceive the nature of the wrongdoing to be critical and severe danger will be the result of the wrongdoing (Miceli and Near, 1996; and Near *et al.*, 2004).

A study on the workers of a large military base in the US, (Near *et al.*, 2004) identified seven major types of wrongdoing. The major types of wrongdoing observed are presented in Table 1.

Table 1: Types of Wrongdoing	
Category	Constituents
Stealing	Stealing of federal funds, stealing of federal property, accepting bribes/kickbacks, use of official position for personal benefit, unfair advantage to contractor, and employee abuse of office.
Waste	Waste by ineligible people receiving benefits, waste by a badly managed program, and waste of organizational assets.
Mismanagement	Management's cover-up of poor performance and making false projections of performance.
Safety Problems	Unsafe or non-compliant products and Unsafe working conditions.
Sexual Harassment	Unwelcome sexual advances/requests for sexual favors and verbal/physical contact of sexual nature.
Unfair Discrimination	Discrimination based on race, sex, religion, etc.
Legal Violations	Violation of law, etc.
<i>Source: Near et al. (2004)</i>	

Process of Whistleblowing

The act of whistleblowing involves three actors in a social setting, the whistleblower, the perpetrator of the wrongdoing, and the party to whom the complaint of wrongdoing is reported to. Thus all three parties are critical to explain the process of whistleblowing (Near *et al.*, 1993).

Whistleblowing in general can be said to comprise four steps (Near and Miceli, 1985). In the first step, the potential whistleblower must decide whether the observed activity is actually a form of wrongdoing, i.e., illegal, immoral or illegitimate. An activity will be perceived to be a wrongdoing if it is in conflict with either the values of the whistleblower, or against the stated values of the organization.

The decision to report the activity comprise the next step in which the whistleblower must weigh several alternatives in mind while taking such a decision. The whistleblower must first weigh the seriousness of the wrongdoing and whether without blowing the whistle it is possible to stop such an activity. The whistle blower should also be aware to whom he should report the wrongdoing. The personal situation that the whistleblower is in will also determine his decision, i.e., whether he will be able to endure the financial and emotional costs associated with his disclosure, and what kind of support emotionally and financially can he gather at the event of a public disclosure.

Once the decision has been made in favor of whistleblowing, it is now time for the organization to react. Reaction in this step consists of initial reaction which the organization will exhibit in response to the decision of whistleblowing. The organization may choose to stop the action or may choose to continue the wrongdoing.

In the final step, the organization must decide what to do about the person who has made the complaint; the organization can choose to ignore the whistle blower completely, or can take steps to silence the whistleblower or may choose to discredit the charge made against it by the whistle blower. The organization can also choose to retaliate against the person concerned, by imposing professional sanctions against him.

The process of whistleblowing may undergo some modifications from case to case. For example, if an employee after blowing the whistle internally does not feel satisfied by the actions of the organization, can choose to repeat the process this time, making the disclosure to external agencies. The time frame of this process will also depend upon the type of machinery used to resolve the matter. If there is an intervention and involvement of the legal body, the time frame for solving this matter will also become lengthy as compared to those cases of whistleblowing where the matters are solved at the organizational level, internally.

Theoretical Framework for the Process of Whistleblowing

The theoretical frameworks which best explains the process of whistleblowing are theories related to power relations, resource dependence and the theories of organizational justice. From the perspective of theory of power, whistleblowing is a process of influence where, the whistleblower tries to exert his power to influence the organization or some of its members to stop the wrongdoing being committed. The organization or its members, which in this case is the dominant party, may accept the power action of the whistleblower and stop the wrongdoing, or, may continue to commit the wrongdoing and additionally may retaliate against the whistleblower in order to correct the power balance.

In following the viewpoint of resource dependency, the two parties engaged in a situation of conflict will try to exert power over each other and are also engaged in efforts to reduce their dependency over the other party. The dependency of the whistleblower on the organization and the dependency of the organization on the whistleblower, the act of wrongdoing, the perpetrator of the act and the party recipient to the complaint all affect the process (Near *et al.*, 1993).

Another theoretical framework to understand the process of whistleblowing is adopted from the model of organizational justice which was proposed by Greenberg (1990). This model talks about the procedural justice which essentially is satisfaction with the system and distributive justice which talks about the satisfaction relating to the outcome. From the perspective of whistleblowing, satisfaction with the system or procedural justice would be high if the process of whistleblowing was followed fairly. Satisfaction with the outcome or distributive justice would be high if the organization would stop the wrongdoing and did not retaliate unfairly against the whistleblower. (Greenberg, 1990; and Near *et al.*, 1993).

An extension of the existing model to encourage more acts of whistleblowing has been suggested in 1997 by adopting a new variable which is financially rewarding the whistleblower. The introduction of this variable will not have any effect on traditional whistleblowers as they would continue to do so regardless of the rewards involved. However, if in case an individual

does a cost-benefit analysis of whistleblowing before deciding whether to do it or not, introduction of rewards would increase the perceived benefits and reduce the financial cost and risks involved in blowing the whistle. The introduction of rewards therefore may facilitate more acts of whistleblowing. But the introduction of rewards face criticism from the proponents of the old system because the ethicists feel that the act of whistleblowing is a result of the values and the good conscience of the whistleblower and such an act should not be motivated by financial considerations (Dworkin and Near, 1997).

Organizational Loyalty and Whistleblowing

For years, whistleblowing has been seen as an action against the interests of the organization. Whistleblowers face sanctions from the organizations as well as their colleagues for their act as, it is seen to be disloyal towards the organization. Ethicists over the years have said that whistleblowing and organizational loyalty are contradictory in nature and a whistleblower is not loyal to the organization. But, the question to ask is if everyone is loyal to the organization in the sense that they will not expose the organizational wrongdoings, how will the benefits of the members of the society at large of which the wrongdoer is also a part, be taken care of? Whistleblowers are considered either as heroes who are attempting to protect the interests of the members of the society against the wrongdoing committed by the organizations to them or as traitors, or disloyal employees who act against the interests of their employer and the organization in order to achieve some personal gain (Hauserman, 1986; and Varelius, 2008).

There was thus a need to define what constitutes loyalty towards the organization and whether the acts of whistleblowing are in fact violating that loyalty or not. The notion of rational loyalty was talked about in several studies (Street, 1995; Vandekerckhove and Commers, 2004; and Read and Rama, 2003). The studies said that rational loyalty does not comprise of loyalty towards the top management and the employees of an organization but towards the mission statement, goals, value statements and codes of conduct of the organization which are legal and legitimate. An organization which states its missions, goals and values clearly and publicly either through their websites or through their annual reports, are implicitly agreeing that they will make their best efforts towards standing by all what they have stated. These statements will comprise of respecting the laws of the land, making quality products, making them available at reasonable prices, and not cheating its stakeholders in general. Through these public statements, what the organization is doing is describing its objectives and convincing its stakeholders that the organization deserves to remain operational. Thus, if adhering to these statements of the organization is what constitutes loyalty, then a whistleblower is acting in accordance to his loyalty towards the organization if, he reports acts which are in contravention to the mission statements, values, goals and codes of conduct of the organization.

The term rational in rational loyalty signifies that the individual has to determine whether his act of whistleblowing is making a contribution towards reinforcing the publicly stated mission statement, organization values, goals and code of conduct. If the individual finds that the actions of the organization are deviating from these statements, then the situation justifies the act of whistleblowing. If such an act means going against the management and the employees of the organization, it is still justified as, the loyalty of the whistleblower is not

towards these individual groups but, towards the organization in a broader perspective. An employer is not bound to be loyal towards any individual or group within that organization who violate the mission, goals and values of the organization (Vandekerckhove and Commers, 2004).

Reasons for Whistleblowing

- **Altruistic Perspective of Whistleblowers:** Altruistic concerns refer to the virtue of unselfish concern for the well-being of others. The altruistic reasons for whistleblowing is the desire to correct the wrongdoing which is harming the interests of the organization itself, the consumers, the co-workers and the society at large (Arnold and Ponemon, 1991; Vinten, 2000; and Vandekerckhove and Commers, 2004).
- **Motivational and Psychological Perspective:** It cannot be said that only altruistic reasons lead to whistleblowing as the act of whistleblowing may lead to the individual obtaining some benefits in lieu of his whistleblowing (Heyes and Kapur, 2008). For example, the False Claims Act in the US provides a financial incentive to the persons who have brought the act of wrongdoing to light. The whistleblower is entitled to share in any financial recovery which may be recovered due to the reporting of the wrongdoing. Aside from this, the whistle blower may be governed by other personal motives such as revenge against the organization and reinstatement of employment (Paul and Townsend, 1996).
- **Prospective of Reward:** Sometimes the organizations themselves offer reward if any act of stealing by an employee of the organization is exposed. Federal statutes in the US also enable the whistle blowers to get up to 30% of the total money recovered by the government due to the act of whistleblowing (Paul and Townsend, 1996; and Carson *et al.*, 2007).

Whistleblowing and Internal Auditors

It is necessary to differentiate the employees who are participating in whistleblowing from the internal auditors of an organization because while in case of employees, whistleblowing is purely voluntary in nature, it is different in the case of internal auditors as it is an inherent part of their job description (Near and Miceli, 1985). The responsibility of disclosure of any wrongdoing is embedded in their job description (Miceli and Near, 1988; and Vadera *et al.*, 2009). Although the duties and responsibilities of the internal auditors are expressly stated, they may find themselves in a moral dilemma if their findings are unfavorable towards organizational profit and its financial position (Miceli and Near, 1988). The internal auditors thus face the issue of dual loyalty, towards his profession and towards his organization and sometimes, these two allegiances may be in conflict (Arnold and Ponemon, 1991; and Taylor and Curtis, 2010).

It is often seen that organizations in the case of internal auditors encourage whistleblowing as it is first brought to the attention of the organization through the

internal channels of communication. Thus, the organization can take appropriate measures to rectify such wrongdoings before such a disclosure is made to an external party which may cause harm to the organization's public image and threaten their overall stability (Ponemon, 1994).

Consequences of Whistleblowing

Whistleblowers often face an unsettling situation regarding the outcome of their act of whistleblowing. The response to an act of whistleblowing usually varies from situation to situation. The possible responses could be correcting the situation or the wrongdoing, possible retaliation against the whistleblower and the response of the whistleblower against the reprisal of the organization towards him.

The whistleblower's power and the power of his adversaries who are a part of the more dominant coalition would determine the consequences of his whistleblowing. The climate prevailing in the organization in relation to a proper and constructive handling of disputes also will affect the consequence of whistleblowing. If the organization provides a fair system of reporting the wrongdoings and ensures no unfavorable or biased action towards the whistleblower in case of any disclosure of wrongdoings, the whistleblower may seek internal remedies within the organization (Miceli *et al.*, 2009). On the other hand, if the reaction of the organization is negative and not conducive to whistleblowing acts, the whistleblower may seek to report the wrongdoings to an external party in order to garner support for him (Hwang *et al.*, 2008; and Rehg *et al.*, 2008).

The prosperity of the organization also influences the outcomes of whistleblowing. Organizations that are more established and prosperous will have a more favorable way of looking at acts of whistleblowing and will have more resources at its disposal to devote to investigate the claims of the whistleblowers. On the other hand those firms which are less prosperous may see acts of whistleblowing as a threat to their existence and, have a hostile climate in general towards whistleblowing. The acts of whistleblowing may be perceived differently by different people in the organization. The superiors and the supervisors of the whistleblower may see such an act as questioning their ability, integrity and conduct. The fellow employees and colleagues may perceive the whistleblower as being disloyal to the company and the owners and the top management may see it as an effort on the part of the whistleblower to destroy the organizational image and threaten its stability. It is thus difficult to predict the outcomes across organizations in case of whistleblowing. A number of factors determine the outcome but these factors and the outcome itself vary from organization to organization and from individual to individual (Paul and Townsend, 1996).

Retaliation

One of the consequences of the act of whistleblowing is retaliation against the whistleblower by the organization. The retaliation can take many forms and there are several studies that discuss the types of forms of retaliation by the organization. Given below are seven types of common retaliations made by the organization against the whistleblower (Paul and Townsend, 1996; Kaplan and Kleiner, 2000; Qusqas and Kleiner,

2001; and Gundlach *et al.*, 2008).

1. **Spotlight the Whistleblower:** The employers will try to attack the source, motives, credibility, competence or anything else to create artificial smokescreens so that it seems that the real problem is the whistleblower and not the wrongdoing.
2. **Manufacture a Poor Record:** The employees who had previously received good performance rating in relation to their work performance may start getting poor evaluations from their supervisors. This is done by the employers to attack the credibility of the whistleblower and claim that the act of whistleblowing is a result of their animosity towards the organization for getting poor grades in their performance appraisals and is prompted by a desire for revenge against the organization.
3. **Threaten them into Silence:** The employer would threaten the employee with termination of service if the act of wrongdoing is brought to public notice.
4. **Isolate or Humiliate them:** The employer will try to isolate the whistleblower from his colleagues and work groups and will often assign lower or menial jobs to him after stripping them of their current job responsibilities. This action also lays the groundwork for subsequent dismissal of the employee on the grounds of his incompetence.
5. **Set them up for Failure:** The employee may be burdened with additional responsibilities and a large amount of unmanageable work. The employee may further be declined access to organizational resources necessary to fulfill his responsibilities. The result is often termination due to reasons of poor work performance.
6. **Prosecute them:** The whistleblowers may be threatened by possibility of prosecution by the employer for stealing of sensitive information and confidential documents of the organization.
7. **Eliminate Their Jobs or Paralyze Their Careers:** The whistleblowers may be laid off by their organizations even when the organization is in the hiring mode to fill vacancies for similar positions. Another alternative is to paralyze their career by not giving them promotion opportunities.

Acts Related to Whistleblowing in the Context of US

Whistleblower Protection Act, 1989: This is a US federal law to guard federal whistleblowers, or government employee who reports any misconduct against government. An organization breaches the Whistleblower Protection Act if it takes wrongful action against any employee or applicant due to any disclosure of information by the employee or applicant that he or she reasonably thinks indications of a violation of a law, rule or regulation; gross misuse of funds and/or authority; or a considerable and explicit threat to public well-being. The law appointed the Office of Special Counsel (OSC) to examine complaints from administrative officials that they were sanctioned after reporting to the legislative body about any wrongdoing in their organizations. The OSC has control over claims of whistleblower retaliation made by the

employees of the US Securities and Exchange Commission (Whitaker, 2007). In 2007, this act was amended by extending the existing whistleblower protections boundary to all federal employees including certain national security, government contractor, and science-based agency whistleblowers.

The Whistleblower Protection Act intends to protect the interests of whistleblowers working for the Federal Government as obliged by the country's OSC. This Act's foremost objective is to prevent the retaliation against employees in public offices. For employees who are working in organizations that are publicly operated, they come under the Corporate and Criminal Fraud Accountability Act. The act is a part of the Sarbanes-Oxley Act of 2002 as imposed by the Department of Labor (DOL). This act protects employees from reprisals towards them because of enlightening suspected violations of the Securities and Exchange Commission's (SEC) rules or regulations. Apart from this, protection is also provided to those who have publicized acts of violation of any federal law provision that engages fraud against their shareholders. This act has turned into a landmark, which illegalizes any act of reprisal of an employer against a whistleblower.

The Sarbanes-Oxley Act, 2002: The Sarbanes-Oxley Act was enacted in 2002 to stem the happening of critical corporate governance scandals and to regain the trust of the investors in the financial markets which were greatly suffering as a result of such scandals (Earle and Madek, 2007). The Act in addition to providing the overseeing of the prevalent corporate accounting practices and addressing issues relating to corporate governance and accountability, also significantly increased the protection to those employees of public companies who report acts of wrongdoing by their organization relating to financial securities or shareholder fraud. The Act introduces new remedies to the whistleblowers who feel that they have been retaliated against or will be subject to retaliatory action due to their exposing the wrongdoing of their employers (Rosenberg, 2004).

Section 806 of the Act protects the employees of a public sector organization who reports any wrongdoing and reasonably believes that such an act of wrongdoing constitutes a violation of: (1) Federal criminal law provisions prohibiting mail, wire, or bank fraud; (2) Any rule or regulation of the SEC; or (3) any provision of federal law relating to fraud against shareholders. The reports made to the whistleblower's supervisors or other persons having the authority to investigate as well as any form of assistance or information pertinent to the wrongdoing provided to the investigative agency all come under the purview of the act. The types of whistleblowers covered in the act also include those persons who file, testify, participate and otherwise assist in a proceeding relating to alleged commitment of corporate or shareholder fraud by the organization (Dworkin, 2007).

The persons who believe that they have been victims of unfair retaliation by the organization because of their whistleblowing activities, have a period of 90 days from the occurrence of retaliatory action to file a complaint with the appropriate authorities responsible for enforcing the Act. These authorities include the US DOL and the Occupational Safety and Health Administration (OSHA). If any of the parties find the rulings of these administrative bodies not

satisfactory, can appeal the decision to the Office of Administrative Law Judges (ALJ), to the DOL's Administrative Review Board and then subsequently to the appropriate Circuit Court of Appeal. If the DOL does not issue a final ruling after the complaint has been made, the party concerned can withdraw its previous complaint and can file a lawsuit in the federal district court.

The complaints if found valid, allow the individual several civil benefits to offset the injustice done to him. Such benefits may include reinstating of the employee in his job, retrospective payment of the amount due to him from the organization with interest, special damages for any emotional distress caused, recovering the money spent by him in the litigation process, the fees paid to his attorney and the fees paid if any to any expert witnesses. This liability may not only fall to the employer, but also to any officer, employee, contractor, subcontractor, or agent found to have retaliated unfairly against the whistleblower (Dalton and Dalton, 2005; and Earle and Madek, 2007).

The Sarbanes-Oxley Act is different from the other acts as it also provides for criminal punishment to the wrongdoer apart from imposing civil sanctions. The act of wrongdoing and unfair retaliation, if proven against a party, will be punishable up to ten years in prison and can be levied a fine of up to \$250,000. Another way in which the act is different from other acts is if after the initial phase of investigation, it is found that there is 'reasonable cause' to believe that the complaint made by the whistleblower has merit, the law provides immediate reinstatement wherever the employee has been terminated in lieu of his complaint. All the other acts provides for the relief of reinstatement only when the full course of the formal enquiry is complete (Rosenberg, 2004).

Despite the intended encouragement and exercise of whistleblowing to facilitate Sarbanes-Oxley Act and prevent wrongdoing in the securities market, the legislative system gives the misapprehension of protection without truly significant opportunities or remedies for achieving it. In a study, Earle and Madek (2007) have found that during May 2006, 499 complaints out of the 677 filed Sarbanes-Oxley complaints were dismissed and 95 out of remaining 178 complaints were withdrawn. This exhibits that control over the whistleblower retaliation is an uphill task. In another finding, only 2% (6) out of 286 cases that went to an Administrative Law Judge (ALJ), resulted in a judgment for the employee. Some of the possible explanation for this failure could be the procedural complication in bringing in a claim to any authority and the lack of remedies, taking into consideration the risk and time it takes to negotiate a claim to conclusion.

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Incorporating Effective Whistleblowing Towards Organizational Betterment

The organization can manage the act of whistleblowing of its employees to ultimately benefit itself. If whistleblowing is discouraged by the organization, it may lead to making the act of wrongdoing public which can cause great harm towards the image of the organization. Whistleblowing presents a dilemma in front of the management of an organization and acts of whistleblowing are considered as acts of treachery against the organization. However, if a company does an objective cost benefit analysis, it will find that the benefits associated with whistleblowing such as employee morale and loyalty, avoiding fines and costly litigation and

Preventive Actions	Responsive Actions
Consider employee complaints seriously and take action	Correct situations that are subjects of whistleblowing
Establish an in-house complaint process	Investigate claims and respond quickly
Lobby for comprehensive laws governing whistleblowing	Train managers and employees to respond effectively
Monitor legislative action and anticipate change	Punish wrongdoing appropriately
Communicate policies and penalties to all employees	Encourage use of alternate communication and resolution mechanisms
Educate managers concerning their role	Establish a supportive organizational culture
Reward ethical behavior	Prescribe roles
Develop policies and codes of ethics	Set up ombudsmen or complaint handlers
<i>Source: Paul and Townsend, 1996; and Miceli et al. 2009</i>	

preventing harmful actions detrimental to organizational health by far outweigh the cost associated with implementing and encouraging a transparent and efficient process of whistleblowing (Paul and Townsend, 1996).

Some of the ways in which the organization can promote and manage an effective internal whistleblowing system are presented in Table 2.

Conclusion

The employees working in the organization are the best people to identify the acts of wrongdoing being committed in the organization. Contrary to popular belief, these acts do not enjoy the support of the organization but are perpetrated by some individuals or groups within the organization who commit these wrongdoings for their own personal and selfish gain. The organizations should encourage its employees to report such acts timely, which may safeguard the organization against any detrimental activity and at the same time, serve as a strong warning to those who have an intention to defraud the organization threatening its image and its stability (Vinten, 2000).

From the study of previous literature in the field of whistleblowing, there are some conclusions which could be drawn:

- Absence of a comprehensive theory towards explaining whistleblowing and why some employees choose or not to choose to blow the whistle.
- A requirement of a consistent body of law governing the process of whistleblowing. As it has been seen that the existing laws differ widely in their ruling of matters relating to whistleblowing and in most laws, private sector employees are not given any legal remedy in case of any unfair retaliation against them.

- Effective whistleblowing is not contrary to employee loyalty towards the organization, rather it paves the way for better and ethical functioning of the organization.
- Organizations can harness the positive effects of internal whistleblowing and can put a stop to the harmful effects of external whistleblowing on the organization's image by adopting a procedurally sound and fair system of internal whistleblowing which will also aid organizational development and stability.
- Promoting an effective organizational culture and environment where honesty, integrity and morality should be the norm instead of exception. Adopting whistleblowing can greatly help in fostering such a culture and environment. □

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