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THE CONSEQUENCES OF SPEAKING OUT: PROCESSES OF HOSTILITY AND ISSUE RESOLUTION INVOLVING FEDERAL WHISTLEBLOWERS

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ABSTRACT

This study analyzed determinants of hostility and issue resolution in over 100 cases of whistleblowing in the federal government. Among the determinants investigated were the power of the whistleblower, organizational climate and rewards, and the nature of the whistleblower’s claim. The implications of the results for theory and practice are discussed.

INTRODUCTION

Whistleblowing involves reporting of activities claimed to be illegal, illegitimate, or immoral by individuals who may or may not possess formal authority to effect change. The possibility that a whistleblower’s claim is not valid or will be disputed even when it is valid will usually transform the claim into an issue, meaning a source of controversy about procedural or substantive matters (Cobb and Elder, 1983). The study assumes that organizations are predisposed to resist changes emanating from the controversy because of threats of organizational change (Staw, Sandelands, and Dutton, 1981) and justifications processes that are part of the normal behavioral responses of individuals and organizations.

WHISTLEBLOWING AND ORGANIZATIONAL CONSEQUENCES

For the purposes of this research, it is the last stage in Graham’s (1986) theoretical model of principled organizational dissent, i.e., the organization’s response to dissent, that is the most salient. Two micro-level outcomes are suggested by this stage of Graham’s model: (1) hostility of the organization’s response (ranging from positive approval to punishment) and (2) resolution of the issue. Hostility involves the extent to which the whistleblower is the target of retaliation for disclosing illegitimate or immoral acts. The hostility is likely to be grounded in both emotional and strategic responses to the whistleblower. Resolution of the issue involves whether the controversy reaches closure. In some cases, closure will occur when an authoritative source inside or outside the organization vindicates the whistleblower’s position and punishes wrongdoers. A variety of other scenarios are possible as well, among them that the controversy continues and the issue dissipates without any formal resolution.

Hypotheses

Five sets of variables were used to explain the whistleblowing process and outcomes associated with it: (1) power of the whistleblower; (2) organizational climate and rewards; (3) strategy and tactics; (4) nature of the whistleblower’s claim; and (5) organizational prosperity.

Power of the whistleblower. Following Graham (1986) and Zald and Berger (1976), a negative relationship is expected between power and hostility and a positive relationship is anticipated between power and issue resolution. The power upon which the whistleblower must rely to influence others is primarily personal rather than positional. However, it is important that the power of the whistleblower not be conceived narrowly. For instance, although the whistleblower often lacks formal authority to pursue change, the whistleblower may occupy a critical organizational role and thus may wield coercive power in seeking organizational change. In general, a whistleblower’s structural position in the organization (Brass, 1984) will affect the amount of influence the whistleblower can exercise.

The probable influence of the whistleblower is also likely to be affected by the power of his or her adversaries. Of special importance is whether members of the dominant coalition (Thompson, 1967) are involved in alleged illegal, immoral or illegitimate activities. If members of the dominant coalition are involved, it is more difficult for them to deal with the dispute objectively and more likely that they condone the practices with which the whistleblower is dissatisfied. Involvement of the dominant coalition is also likely to pose a greater threat to the organization, thus resulting in greater hostility toward the whistleblower.

Hypothesis 1A. The greater the centrality and criticality of the whistleblower’s position in the organization, the lesser the hostility toward the whistleblower and the more likely the issue will be resolved.

Hypothesis 1B. The more organization members perceive the whistleblower as reasonable, the lesser the hostility toward the whistleblower and the more likely the issue will be resolved.

Hypothesis 1C. The greater the involvement of the dominant coalition in the target incident, the greater the hostility toward the whistleblower and the less likely the issue will be resolved.
Organizational Climate and Reward Systems. A premise of this research is that organizations will resist change attempts unless the organization has learned responses or designed itself in a way to facilitate positive or routine handling of disputes (Staw et al. 1981). Hirshman (1970) suggests that institutions may be designed to lower the costs of voice and increase its rewards as a means for taking advantage of the recuperative powers of voice. Thus, the design choices that organizations make are likely to influence organizational consequences.

Another way for organizations to facilitate constructive dissent is to develop systems for employee due process. Research on organizational due process (Aram and Salipante, 1981) indicates that two design issues are particularly relevant to the effectiveness of such systems. The degree of formality of appeal procedures, including the specification of steps to be followed in presenting a complaint and the clarity of roles and responsibilities of parties for conflict resolution, is likely to affect organizational consequences. Similarly, the degree to which the final decision maker is independent from management may also influence organizational consequences.

Hypothesis 2A. The more favorable organizational climate and reward systems are toward dissent, the lesser the hostility toward the whistleblower and the more likely the issue will be resolved.

Hypothesis 2B. The greater the degree of formality of whistleblowing procedures and the greater the independence from management of the final decision maker, the more likely the issue will be resolved.

Nature of the Whistleblower’s Claims. Although previous research on whistleblowing has distinguished conceptually among differences in the content of a whistleblower’s claims, the conceptual distinctions have not been incorporated into empirical research. Aram and Salipante (1981) identify three types of conflicts—invoking statutory rights, organizational norms, and societal norms—as posing different contingencies for organizational due process systems. In brief, there may be a big difference between how acts that are alleged to be illegal and those that are perceived to be illegitimate are handled by the organization.

The goals of the whistleblower relative to the status quo are also likely to influence consequences. A whistleblower whose claims require only small adjustments by organizational authorities is not likely to pose a great threat to the organization. On the other hand, a claim that affects the core technology of an organization (Thompson, 1967) is likely to significantly threaten the survival of the organization. Thus, two hypotheses are offered:

Hypothesis 3A. The more easily the claims by the whistleblower can be subjected to third-party verification, the more likely the issue will be resolved.

Hypothesis 3B. The greater the change required by the whistleblower’s claims, the less likely the issue will be resolved.

Strategy and Tactics. An objective of most whistleblowers is successful resolution of the source of dissatisfaction. In some cases, the issue will be resolved quite routinely through established organizational procedures. But some complaints will require significant amounts of political activity by the whistleblower and any supporters before they can be resolved. Although the nature of the whistleblower’s claim may sometimes help to activate political resources spontaneously, in most situations the whistleblower and the whistleblower’s supporters will have to mobilize coalitions (Zald and Berger, 1978).

In cases in which organizational authorities maintain a significant resource advantage, it may be necessary for the whistleblower to seek external support. The process of conflict expansion can be a useful device for drawing other groups into the dispute and marshaling support (Cobb and Elder, 1983).

Hypothesis 4A. The more resources the whistleblower mobilizes on behalf of his or her claims, the more likely the issue will be resolved.

Hypothesis 4B. The greater the change required by the whistleblower’s claims, the more likely the whistleblower will seek external channels in attempting to resolve the issue.

Hypothesis 4C. The more the whistleblower relies on external channels, the greater the hostility toward the whistleblower.

Organizational Prosperity. The rationale for a relationship between organizational prosperity and organizational consequences is relatively straightforward. Organizational prosperity acts in at least two ways. First, the availability of slack resources gives more prosperous organizations the capability to resolve their problems (Graham, 1988). Second, organizations that are subject to significant resource constraints are more likely to view internal dissent with alarm, creating a climate for hostility toward whistleblowers (Staw et al. 1981). Thus, the following hypothesis is proposed:

Hypothesis 5. The more prosperous the organization, the lesser the hostility toward the whistleblower and the more likely the issue will be resolved.

METHODS

The research used the case survey approach. As described by Yin and Heald (1975, p. 372): "The case survey calls for the reader-analyst to answer the same set of questions for each case study. The questions are close-ended, so that the answers can be aggregated for further analysis."
The sample of cases was drawn from agencies of the federal government. In order to obtain a sample that was representative with respect to the intensity of the dispute, cases were stratified by whistleblowing channel. The cases within each stratum were randomly selected from a variety of sources including: the Office of Special Counsel public file; Merit Systems Protection Board (MSPB) cases involving retaliation for protected disclosures; whistleblower hotlines; and internal appeals systems.

Data were collected on each case from archival records, secondary sources, and a self-administered survey. Three data files were then created for each case: (1) case survey file, containing analyst-coded information based upon archival records; (2) self-administered survey file, containing the responses from a survey of the whistleblowers; and (3) secondary data file, containing budgetary and survey information on the organizations that employed the whistleblower.

Operational Definitions

Detailed operational definitions for the variables used in the study are available from the author upon request.

Hostility toward the whistleblower reflects the behavioral response of the organization toward the whistleblower, ranging from supportive to non-supportive. Four indicators were used to measure the degree of hostility.

Issue resolution is the extent to which the issue created by the whistleblower's claim is resolved. Cases were sorted into three categories ranging from "resolved" to "not resolved."

Centrality of the whistleblower's position in the organization is the extent to which a whistleblower has access to and control over resources in a social network (Brass, 1984). Criticality of the whistleblower's position in the organization is the extent to which the whistleblower occupies a position critical to the work flow of the organization or program (Brass, 1984). These variables were created from indicators derived from both the case survey and self-administered survey.

Perceived reasonableness of the whistleblower is the extent to which the whistleblower is perceived by co-workers as pursuing a legitimate claim by legitimate means. It was created from the following item in the case survey: "Did co-workers express any concerns about either the legitimacy of the claim or the means by which it was pursued?"

Involvement of the dominant coalition in the target incident is the extent to which members of the organization's dominant coalition were parties to alleged immoral, illegal or illegitimate acts. Dominant coalition was defined operationally as members of the top management team at either the agency or unit level.

Favorableness of organizational climate and reward systems toward dissent is the extent to which the organization's formal policies provide positive incentives for dissent. Several indicators were developed from 1980 and 1983 MSPB surveys.

Formality of whistleblowing is the extent to which the procedures for whistleblowing are codified in organizational policies and statutes. This measure distinguished whether the organization had clearly identified procedures for whistleblowing that supplemented government-wide procedures or relied solely on government-wide procedures.

Independence of the final decision maker is the extent to which the final decision maker is free from control by the organization's dominant coalition. The concept was measured using two dummy variables created from the case survey; whether or not the organization was responsible for investigation of the claim; and whether or not there was a departmental inspector general.

Ease with which claims can be verified by third parties is the extent to which the claim or claims of the whistleblower can be subjected to proof or disproof by the application of available evidence. Three dummy variables measured whether or not the claim involved a statute, an organizational norm, or a social norm.

Change required by the whistleblower's claims is the extent of change required to respond to the claim of the whistleblower. Two indicators created from the case survey were used to measure the concept.

External whistleblowing channels refers to formal and informal channels outside the organization. It was created from responses to the case survey and self-administered survey.

Resources mobilized on behalf of claim represents the number of different types and the amounts of resources the whistleblower is able to use to persuade others of his/her claim. It was created by combining case survey and self-administered survey responses.

Prosperity of the organization is the extent to which the organization possesses slack resources. Two indicators were used: (1) employees engaged in administrative overhead activities (in the year in which the employee made his/her allegation); and (2) the average grade of employees in the parent organization (for the year in which the allegation was made).

ANALYSIS

The hypotheses were tested using appropriate bi-variate and multi-variate statistical methods. Detailed results of the statistical analyses are available from the author upon request. Table 1 summarizes the results of the statistical analyses of the hypothesized relationships.
DISCUSSION

Several of the antecedents of hostility were found to be significant in the statistical analyses. The criticality-hostility relationships were generally significant, but in a positive direction, contrary to original expectations. The perceived reasonableness of the whistleblower diminished the hostility toward the whistleblower. Involvement of the dominant coalition increased the likelihood of hostility toward the whistleblower.

These findings about antecedents of hostility toward the whistleblower shed considerable light on how organizations respond to whistleblower claims. Previous research (Near and Jensen, 1983; and Graham, 1986) indicated that organizations had two primary options for responding strategically (Near and Jensen, 1983), assessing the personal power of the whistleblower and then responding accordingly. The inference is that organizations will be increasingly less hostile as they confront increasingly more powerful whistleblowers who have the ability to deter the organization from retaliating for disclosures. Another option is for the organization to respond rationalistically (Near and Jensen, 1983), with increasingly greater hostility as the threat from the whistleblower increases.

The results can be interpreted as providing substantial support for the view that organizations respond rationalistically rather than strategically. The main reason for suggesting that organizations respond rationalistically are the findings that both the criticality of a whistleblower's position and use of external channels are positively associated with hostility. The latent threat of the whistleblower, as indicated by the criticality of the whistleblower's position, and the manifest threat, as reflected by actual behavior, appear to influence the threat posed to the organization by the whistleblower.

The pattern of significant relationships involving issue resolution differ radically from those involving hostility. The patterns are quite different from those anticipated by the hypotheses, which posited considerable covariation in the consequences for hostility and issue resolution, particularly in conjunction with the power relationships. The prospects for issue resolution appear to be most directly enhanced by the dominant coalition's involvement in the alleged wrongdoing, the nature of the claim, and outside investigation of the whistleblower's claims.

The majority of the predictions involving issue resolution were disconfirmed. At the same time, the multi-variate analysis indicated that the significant relationships provided more substantial explanation for variations in issue resolution than the predictors for hostility. The most important predictor of issue resolution was the change required by the whistleblower's claims. It is probable that the amount of change required acts in at least two ways to affect issue resolution. One process involves the basic assumption about the predisposition of organizations to change. The larger the amount of change required, the greater the probable threat to the organization and the more likely information will be constrained and rigidity will characterize the organization's response. Claims that involve the organization's core technologies (Thompson, 1967) are likely to be particularly threatening. Thus, one way in which the amount of change required operates is by influencing the threat perceived by organization members.

Another way that the amount of change required acts to influence the likelihood of issue resolution is the sheer ability of an organization to reform itself. Organizations in which large-scale wrongdoing is commonplace are likely to have a difficult time implementing changes that resolve the issue and convincing observers that they have genuinely reformed themselves. Furthermore, large-scale change is likely to require some compromises between the ideals of the reformers and the pragmatics of the organization's capacity to change itself. Even if organizations are genuinely committed to reform, the loosely coupled and semi-autonomous networks of vested interests internal and external to many organizations (Pfeffer and Salancik, 1976) are likely to limit the prospects for completely satisfactory resolution of issues.

The results indicate that one way to overcome an organization's propensity to resist change is to transfer responsibility for review of a whistleblower's claims to an external force. The external force investigation appears to be one way of assuring a "fair trial" for the whistleblower's charges. This finding coincides with Near and Jensen's (1983) observation that a "fair investigation" is important for resolution of whistleblower claims. A fair investigation assures a separation between the locus of alleged wrongdoing and the locus of evaluation of the evidence, thereby providing for some neutrality in issue resolution. External investigation assures that the accused party does not sit as judge and jury.

While the dominant coalition variable was not associated with issue resolution at the traditional level of statistical significance, the near significance of the association merits some speculation. Why would dominant coalition involvement increase the prospects for issue resolution, especially when it appears to simultaneously increase the hostility toward the whistleblower? A variety of alternative explanations are possible and only a few of them will be considered here. One explanation is that dominant coalition involvement may increase the prospect that the whistleblower will pursue the claim outside the organization, thereby increasing the level of hostility and the likelihood of issue resolution. Another explanation is that the dominant coalition's involvement improves the chances for issue resolution because the target of the whistleblower's claims and the resources for resolving the dispute converge. Conversely, when the dominant coalition is not the target of the whistleblower's claims, information is likely to be asymmetrically distributed leaving the dominant coalition in an "information poor" position that may prevent it from resolving the dispute.
Paralleling the results for hostility, power did not account for large amounts of the variance in issue resolution in the multi-variate analyses. One explanation for the absence of associations between power and issue resolution is the large imbalance between individual and organizational power. Although individual power varies, it does not, by itself, reach a threshold that permits the whistleblower to contend with the organization on a relatively equal basis.

TABLE 1
Summary of Results

H1A: Disconfirmed for both hostility and issue resolution. Criticality was positively associated with hostility.
H1B: Confirmed for hostility. Disconfirmed for issue resolution.
H1C: Confirmed for hostility. Disconfirmed for issue resolution.
H2A: Favorable climate was negatively associated with hostility. The issue resolution predictions were disconfirmed.
H2B: Disconfirmed for formality of procedures. Confirmed for independence of the final decision maker.
H3A: Partially confirmed. Claims involving social norms were significantly more difficult to verify.
H3B: Confirmed
H4A: Disconfirmed.
H4B: Confirmed.
H4C: Confirmed.
H5: Disconfirmed.

CONCLUSIONS

In light of this study, what are the likely effects of the 1989 Whistleblower Protection Act (WPA)? The Act requires that the identity of any federal employee must be protected and the Office of the Special Counsel (OSC) is required to keep conversations with complainants confidential unless public health or safety might be jeopardized should diminish the level of hostility toward whistleblowers. The field research found that the anonymity of whistleblowers varied across organizations and channels. Some channels were very protective of the identity of whistleblowers and did not reveal information about them. In contrast, other channels, including the OSC, were open about the identity of the whistleblower if he or she did not request anonymity. Another rule change, that whistleblowers must now show only that their action was "a contributing factor" rather than a "significant" or "predominant" factor for reprisal, may help to reduce the level of hostility toward whistleblowers by making it easier to penalize employers who retaliate.

The findings suggest, however, that organizations act rationalistically, rather than strategically, and so it is not obvious that the WPA rule changes will alter their behavior. Furthermore, the WPA does not modify an organization's basic predisposition to resist change. Thus, based on the results from this research, it appears unlikely that the WPA will have a substantial impact on whistleblowing disputes other than possible reductions in the level of hostility toward whistleblowers.

REFERENCES


