

Chapter 4

Whistle-Blowing

CHAPTER SUMMARY

Whether or not to blow the whistle on misconduct in an organization is one of the most difficult decisions that some people will ever have to make. The decision is wrenching personally because the stakes are so high. Yet many whistle-blowers say that they could not have lived with themselves if they had stayed silent. The decision is also difficult ethically, because whistle-blowing involves a conflict between two competing duties: to protect the public and to be loyal to an organization. Although loyalty is not always overriding, as the loyal agent argument holds, neither is it inconsequential. Deciding between these duties often requires that an employee exercise very careful judgment.

The one certain conclusion of this chapter is that whistle-blowing is ethically permissible under certain carefully specified conditions. (Whether it can ever be ethically required is a different question that seldom arises. Everyone has an obligation not to be a part of illegal and immoral activity, but exposing it at great risk to oneself is usually regarded as beyond what duty requires.) Blowing the whistle is only one response that an employee can make to report misconduct; however, the act of whistle-blowing itself can take on many different forms. So in addition to deciding *whether* to become a whistle-blower, employees are faced with the further question of *how* to blow the whistle in a justified manner. Finally, it is evident that employees who are justified in blowing the whistle ought not to suffer retaliation. What ought to be done to protect whistle-blowers from this fate is less clear. A plausible case can be made for legislation in this area, but the difficulty is drafting laws that achieve the desired result without interfering unduly in the legitimate conduct of business.

CHAPTER OBJECTIVES

- 4.1: Define the significance of whistle-blowing and the act itself according to seven criteria
- 4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act
- 4.3: Describe the characteristics and importance of laws designed to protect whistle-blowers and key points in the debate over the moral justification of these laws
- 4.4: Identify the importance of developing an effective whistle-blowing policy for an organization and the key components of such a policy

SUGGESTED DISCUSSION PROMPTS

1. Why do employees want to blow the whistle?
2. Do employers have valid reasons to frown on whistle-blowing?
3. What must employees do to ensure that they blow the whistle properly?
4. What are the objectives of legal protection for whistle-blowers?
5. Why would a company develop a whistle-blowing policy?

ASSESSMENT FOR IN-CLASS USE

Multiple Choice Questions

Choose the BEST possible answer for each of the following.

1. A whistle-blower is primarily motivated by _____.
 - A. retaliation
 - B. ethical concern
 - C. personal gain
 - D. fear of retribution

Correct Answer: B

4.1: Define the significance of whistle-blowing and the act itself according to seven criteria

Topic/Concept: What Is Whistle-Blowing?

Difficulty Level: Easy

Skill Level: Understanding

2. Which of the following is necessary for whistle-blowing to occur?
 - A. information
 - B. legal protection
 - C. a nondisclosure agreement
 - D. managing authority

Correct Answer: A

4.1: Define the significance of whistle-blowing and the act itself according to seven criteria

Topic/Concept: What Is Whistle-Blowing?

Difficulty Level: Easy

Skill Level: Understanding

3. Some corporations have an *ombudsman*, whose role is to _____.
 - A. blow the whistle
 - B. release information to the public
 - C. report on employees
 - D. hear complaints

Correct Answer: D

4.1: Define the significance of whistle-blowing and the act itself according to seven criteria

Topic/Concept: What Is Whistle-Blowing?

Difficulty Level: Easy

Skill Level: Understanding

4. Why is the loyal agent argument supported by the law?
- A. The argument is supported because of the agent dictates the principal's job duties.
 - B. The argument is supported because the agent is morally but not contractually obligated to follow the principal's directions.
 - C. The argument is supported because the agent is not an employee of the principal.
 - D. The argument is supported because the agent is contractually obligated to perform his or her duty.

Correct Answer: D

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Easy

Skill Level: Understanding

5. The two *Challenger* spacecraft engineers who were concerned about possible O-ring failure were unsuccessful at whistleblowing because they _____.
- A. tried to resolve the matter internally at Morton Thiokol
 - B. refused to use Morton Thiokol internal channels to address the matter
 - C. did not document problems with the O-ring
 - D. opted to contact the press before speaking with their superiors about potential problems with the O-ring

Correct Answer: A

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Easy

Skill Level: Understanding

6. Loyalty to a corporation can sometimes *lead* to whistleblowing if _____.
- A. the corporation is a large one
 - B. the whistleblower enjoys legal protection
 - C. the whistleblower wants to see change in the corporation
 - D. the government is paying the employee for the information

Correct Answer: C

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Easy

Skill Level: Understanding

7. Employees who are most upset with a company will most often _____.
- A. write to the CEO
 - B. simply leave the company
 - C. go public with their complaints
 - D. hope the company will reform from within

Correct Answer: B

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Easy

Skill Level: Understanding

8. The main motivation for there to be whistleblower-protection laws is that whistleblowers _____.
- A. represent a minority
 - B. are likely to be oppressed
 - C. benefit society
 - D. should enjoy freedom of speech

Correct Answer: C

4.3: Describe the characteristics and importance of laws designed to protect whistleblowers and key points in the debate over the moral justification of these laws

Topic/Concept: Right to Blow the Whistle

Difficulty Level: Easy

Skill Level: Understanding

9. The main reason that companies should have a whistle-blowing policy is that _____.
- A. it avoids tension and strife
 - B. whistle-blowing helps business
 - C. it enhances employee satisfaction
 - D. wrongdoing harms them

Correct Answer: D

4.4: Identify the importance of developing an effective whistle-blowing policy for an organization and the key components of such a policy

Topic/Concept: Developing a Policy

Difficulty Level: Easy

Skill Level: Understanding

10. All whistle-blowing policies should include _____.
- A. a guarantee against retaliation
 - B. a guarantee of continued employment
 - C. a way for employees to go public

D. specific monetary awards

Correct Answer: A

4.4: Identify the importance of developing an effective whistle-blowing policy for an organization and the key components of such a policy

Topic/Concept: Developing a Policy

Difficulty Level: Easy

Skill Level: Understanding

Essay Questions

1. Describe ways in which employers can deal with potential cases of whistle-blowing. How do they further their interests in this regard?

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Moderate

Skill Level: Evaluation

2. Explain the ironic dimension of whistle-blowing with respect to employee loyalty.

4.2: Assess situations where whistle-blowing may or may not be justified, given the duties and obligations of all parties and the potential consequences of the act

Topic/Concept: Justification of Whistle-Blowing

Difficulty Level: Easy

Skill Level: Understanding

3. Describe the pros and cons of legal protection for whistle-blowing.

4.3: Describe the characteristics and importance of laws designed to protect whistle-blowers and key points in the debate over the moral justification of these laws

Topic/Concept: Right to Blow the Whistle

Difficulty Level: Moderate

Skill Level: Analysis

4. Describe the criteria for whistle-blowing.

4.1: Define the significance of whistle-blowing and the act itself according to seven criteria

Topic/Concept: 4.1: What Is Whistle-Blowing?

Difficulty Level: Easy

Skill Level: Understanding

5. Why is it important to develop an effective whistle-blowing policy? What are some key components of an effective whistle-blowing policy?

4.4: Identify the importance of developing an effective whistle-blowing policy for an organization and the key components of such a policy

Topic/Concept: 4.4: Developing a Policy

Difficulty Level: Easy

Skill Level: Understanding