



## WHISTLEBLOWING: NEW RULES, NEW POLICIES, NEW VISION

WORK-IN-PROGRESS RESEARCH FROM  
THE INTEGRITY@WERQ PHASE –  
WHISTLING WHILE THEY WORK 2

November 2018



These working papers present work-in-progress results of Integrity@WERQ – the main data collection phase of the research project *Whistling While They Work 2: Improving managerial responses to whistleblowing in public and private organisations*.

Between late 2016 and May 2018, in 46 public, private and not-for-profit sector organisations in Australia and New Zealand, we collected 17,778 individual responses to Griffith University's Workplace Experiences & Relationships Questionnaire (WERQ):

- 9,711 staff employees, contractors or volunteers;
- 5,170 staff who identified as managers; and
- 2,897 staff who identified as governance professionals.

These data capture the experience and perceptions of:

- 7,391 individuals who observed wrongdoing in their current or a previous organisation (5,509 in their current organisation; 1,881 in a previous organisation);
- 5,054 individuals who reported the most serious wrongdoing they observed (3,785 in their current organisation);
- 3,611 managers and governance professionals who directly dealt with, managed or were aware of cases where other staff reported wrongdoing (in their current organisation); and
- 1,493 instances where staff members did not report the most serious wrongdoing they observed, but dealt with it themselves or were aware that other people reported it (including 950 in their current organisation).

To our knowledge, this is:

- the largest dataset to have been collected for the specific purpose of understanding whistleblowing in organisations
- the first major empirical study designed to better understand not only what happens when staff perceive and report wrongdoing, but how the organisation – for better or worse -- responded including assessing a range of key factors which explain why
- the first major empirical study of whistleblowing processes in both public and private sector organisations, using the same methodology at the same time.

Table 1. Number of WERQ organisations by sector and size

	Small	Medium	Large	Total
<b>Public sector</b>	5	15	16	36
<b>Company or business (for profit)</b>	1	0	6	7
<b>Not-for-profit</b>	2	0	1	3
<b>Total</b>	<b>8</b>	<b>15</b>	<b>23</b>	<b>46</b>

Table 2. Number of public sector organisations by jurisdiction

Level	Jurisdiction								Total	
	Australia							New Zealand		
	New South Wales	Queensland	Victoria	Western Australia	Tasmania	Aust Capital Territory	Subt			
<b>National</b>								8	4	12
<b>State</b>	4	7	1	1	2	1	16		16	
<b>Local</b>	1	1	2	1	1	0	6	2	8	
<b>Subt</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>22</b>	<b>2</b>	<b>22</b>	
<b>Total</b>								<b>30</b>	<b>6</b>	<b>36</b>

Table 3. Number of private and not-for-profit organisations by industry

	Financial and insurance services	Agriculture, forestry, mining, construct	Arts, recreation, food, hospitality	Professional, media services	Education, training	Total
<b>Company or business (for profit)</b>	5	1	0	1	0	7
<b>Not-for-profit</b>	1	0	1	0	1	3
<b>Total</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>10</b>

Table 4. Number of WERQ respondents by sector and role

	Public	Private/NFP	Total
<b>Employees</b>	5,409	4,302	9,711
<b>Managers</b>	2,522	2,648	5,170
<b>Governance professionals</b>	1,467	1,430	2,897
<b>Total</b>	<b>9,398</b>	<b>8,380</b>	<b>17,778</b>

Figure 8. Reporting paths by types of wrongdoing (public and private sector reporters)

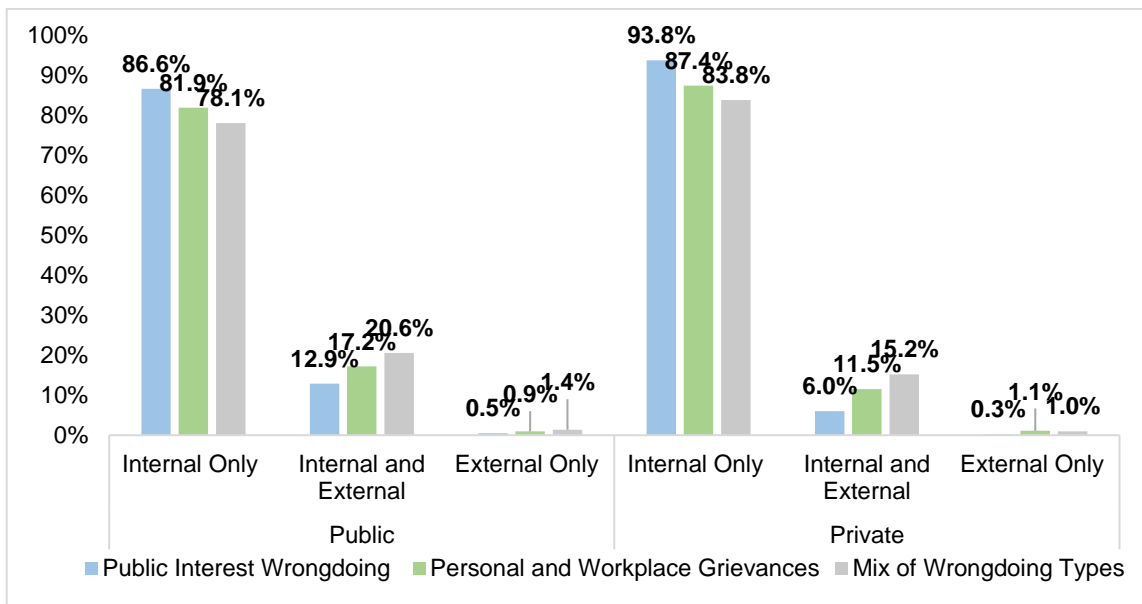
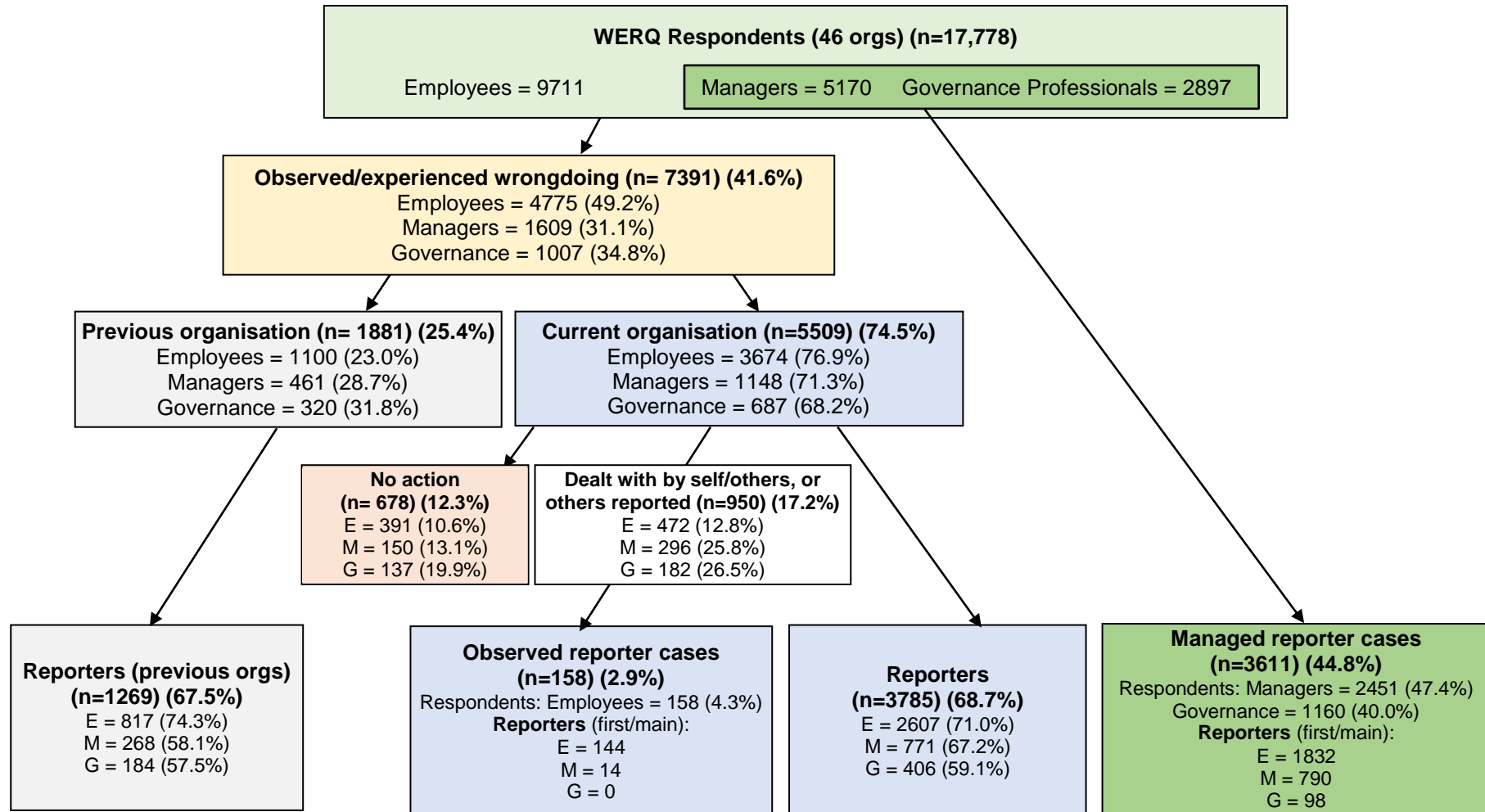


Figure 2. Cases of wrongdoing reporting in the WERQ dataset (including role and non-role)



## WORKING PAPER 2

# Why protect whistleblowers? Importance versus treatment in the public & private sectors

*A J Brown, Jane Olsen & Sandra Lawrence*

## OVERVIEW

This working paper examines results of the Integrity@WERQ phase of the Whistling While They Work 2 research, to answer two key questions about the performance of organisational whistleblowing processes:

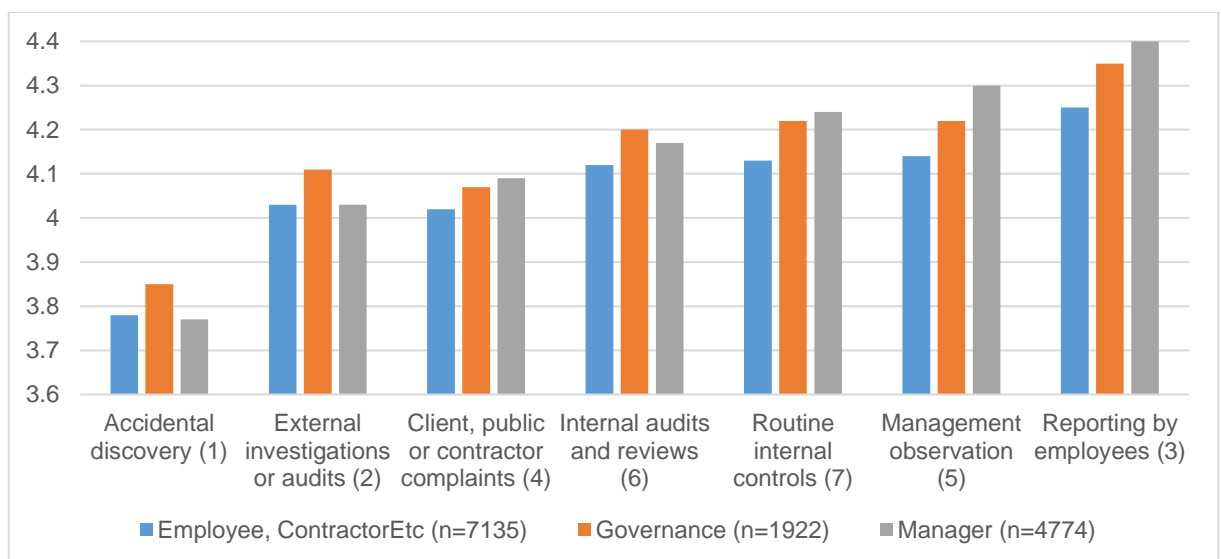
- Is whistleblowing important to organisations, and to society, as a means of identifying and rectifying wrongdoing and achieving positive changes and reforms?
- Are the treatment and outcomes experienced by whistleblowers, themselves, commensurate with the social and organisational value placed on whistleblowing?

The goal of “protecting” whistleblowers is widely supported in theory, but what does it mean, and how well is it achieved in practice? Are creating legal remedies for reprisals, and warning staff that no reprisals will be tolerated, enough to ensure that reporters do not suffer unjust outcomes? How well are whistleblowers treated currently?

The first part of the paper examines **the importance placed on employee reporting** in the organisations studied, the level of support for whistleblowing, and the outcomes of reporting for organisations in terms of wrongdoing found and remedied, and organisational reforms and changes.

*Figure 2. Importance of Whistleblowing by Respondent Type*

‘In your own view, how important do you believe each of the following is for bringing to light wrongdoing in or by your organisation?’ (D4) (1=Not important, 2=A little, 3=Somewhat, 4=Important, 5=Very important)



One-Sample Test	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
D4_5 [Reporting by employees]	689.758	13823	.000	4.315	4.30	4.33
D4_3 [Management observation]	606.211	13810	.000	4.205	4.19	4.22

Together, these data tell us:

- Whistleblowing is seen as critically important in the life of organisations;
- Reporting is widely supported, and no less in the private sector than the public sector;
- Contrary to many stereotypes, employee reporting led to **“positive” investigation outcomes** (wrongdoing found and at least partially dealt with) in a very large proportion of cases – on average 55.5 per cent, according to managers and governance professionals;
- According to the same groups, employee reporting led to **positive organisational reforms and changes, ranging from management changes to new training and procedures to remedial actions**, in 58.2 per cent of cases – in addition to another 4.4 per cent of cases involving only disciplinary action against wrongdoers.

Against this evidence of importance, the second part of the paper reveals that **outcomes for whistleblowers** are far less positive. Contrary to some stereotypes, detrimental outcomes for reporters were not inevitable, confirming that protection (or at least self-protection) from adverse consequences is possible. However:

- Reporters were still **treated badly by their management or colleagues** (principally management) in 42.1 per cent of cases according to reporters (and 34.1 per cent according to managers and governance professionals who dealt with cases);
- Public sector whistleblowers were mistreated in almost exactly the same proportions as recorded a decade ago by the first WWTW project; and
- Reporters experienced **negative repercussions** in an average 81.6 per cent of cases, according to reporters (and 66.3 per cent according to managers and governance professionals who dealt with cases), including 56 and 34 per cent respectively who experienced harassment and/or direct adverse employment impacts (reprisals).

Throughout, comparison between responses from managers and governance staff and reporters confirms a pattern in which outcomes are worse for employee reporters than for managers or governance staff who report wrongdoing. On all accounts, the proportion of governance staff who experience poor outcomes is itself disturbing.

Overall, the results highlight the high value, importance and utility attributed to whistleblowing across the organisations, in theory and practice, both for organisational purposes and the wider social good – but the substantial, and unsatisfactory contrast between this recognition of the importance of whistleblowing, and the continuing level of poor outcomes for whistleblowers.

New evidence points to two key areas for further study and new organisational processes in order to change these outcomes:

- The influence of wrongdoing type on the management of cases – with poor outcomes more strongly associated with reporting cases involving **a mixture of public interest wrongdoing and personal/workplace grievances**, than with either personal/workplace or public interest wrongdoing alone;
- The prevalence of **informal, “collateral” impacts such as stress and isolation** among the detrimental consequences experienced by whistleblowers – in addition to, and over and above deliberate reprisals and adverse employment actions.

Both findings point to the critical importance, and potential advantages, of organisations adapting processes to better fulfil their **duty to support and protect** whistleblowers from adverse impacts before they happen, rather than waiting for negative outcomes to occur.

Figure 3. Investigation outcomes of reporting, by reporter / reporting type

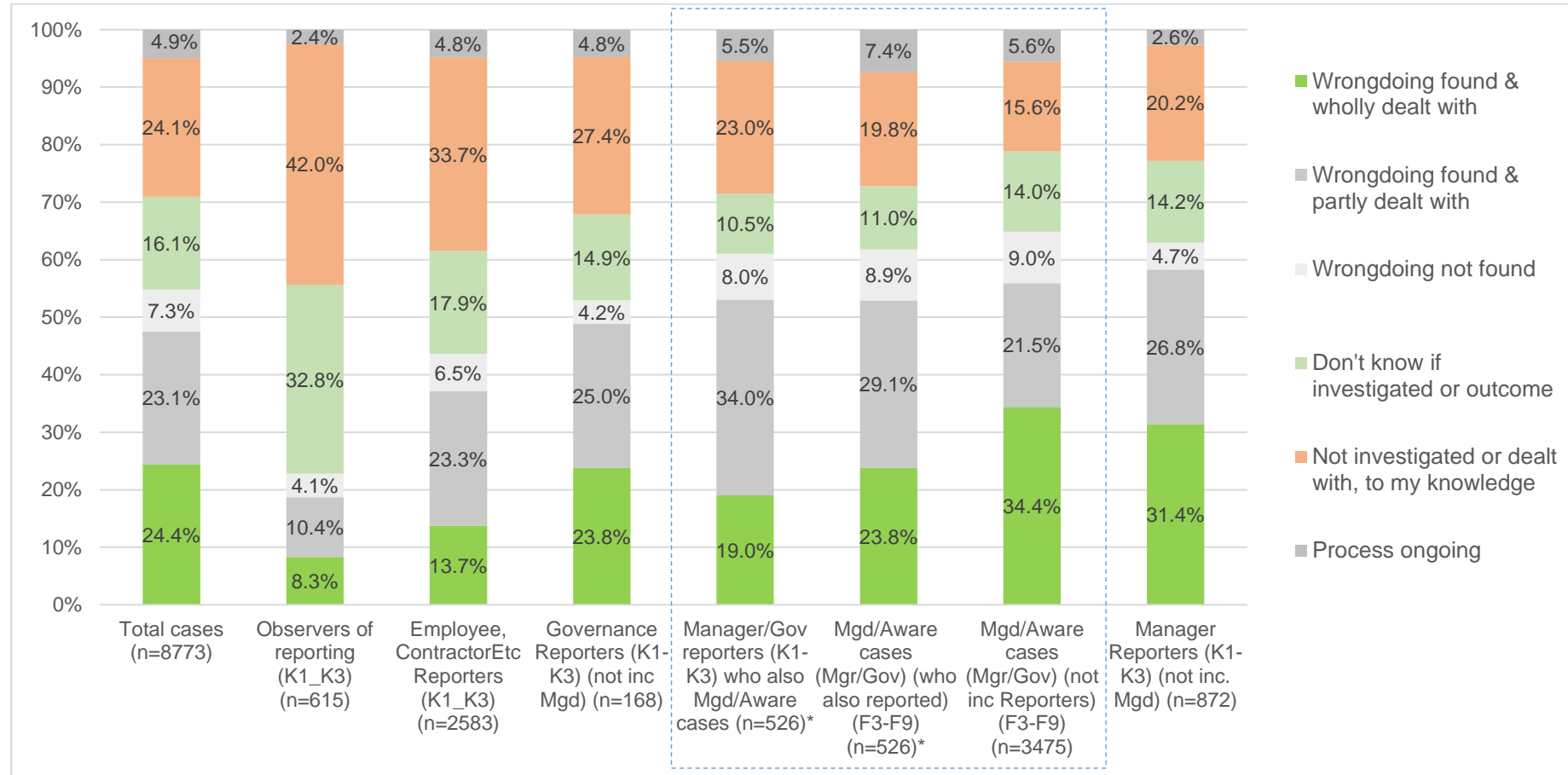


Figure 5. Organisational changes and reforms by type

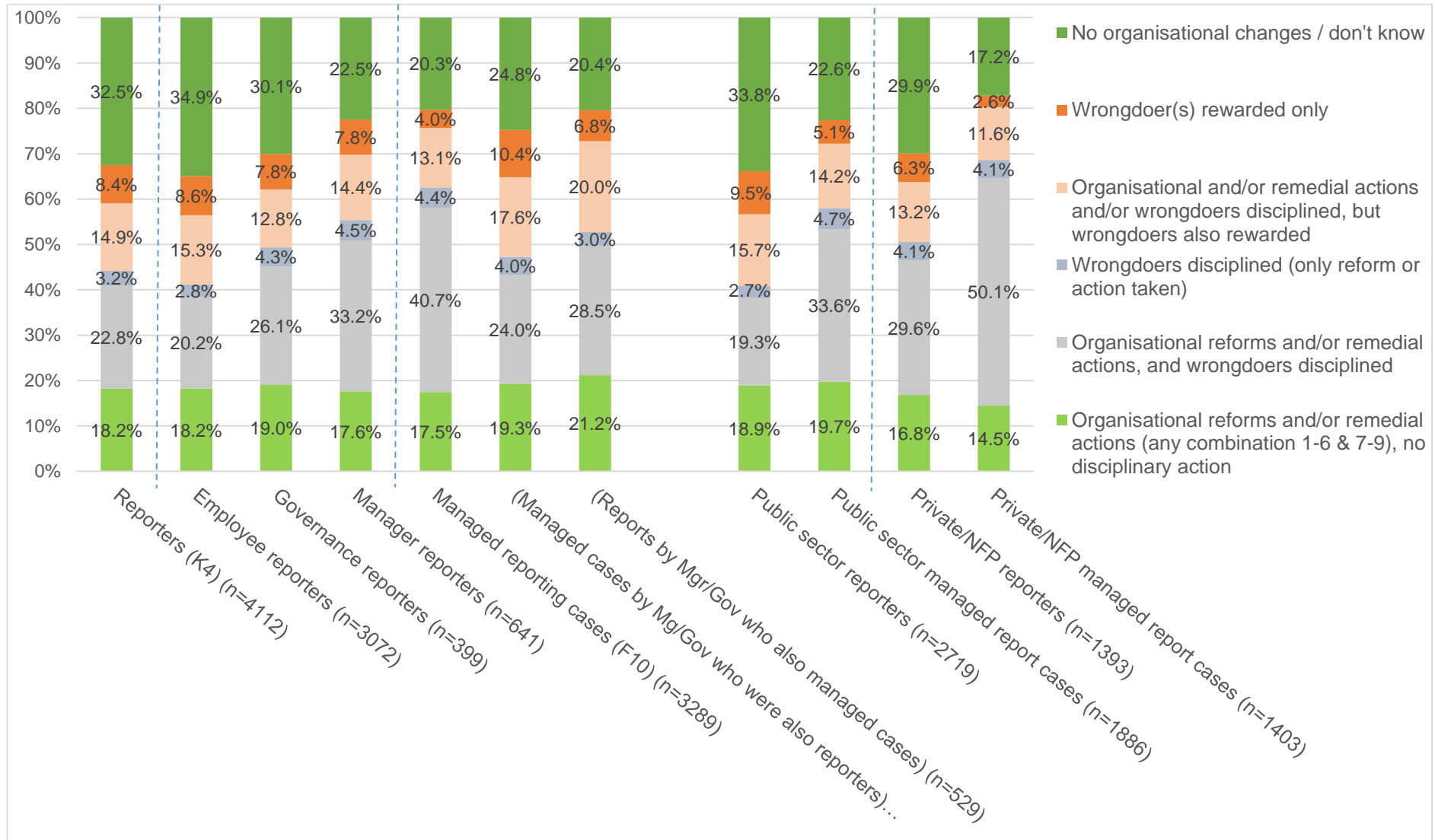




Figure 7. Reporter treatment (treatment by management & colleagues combined) (%)

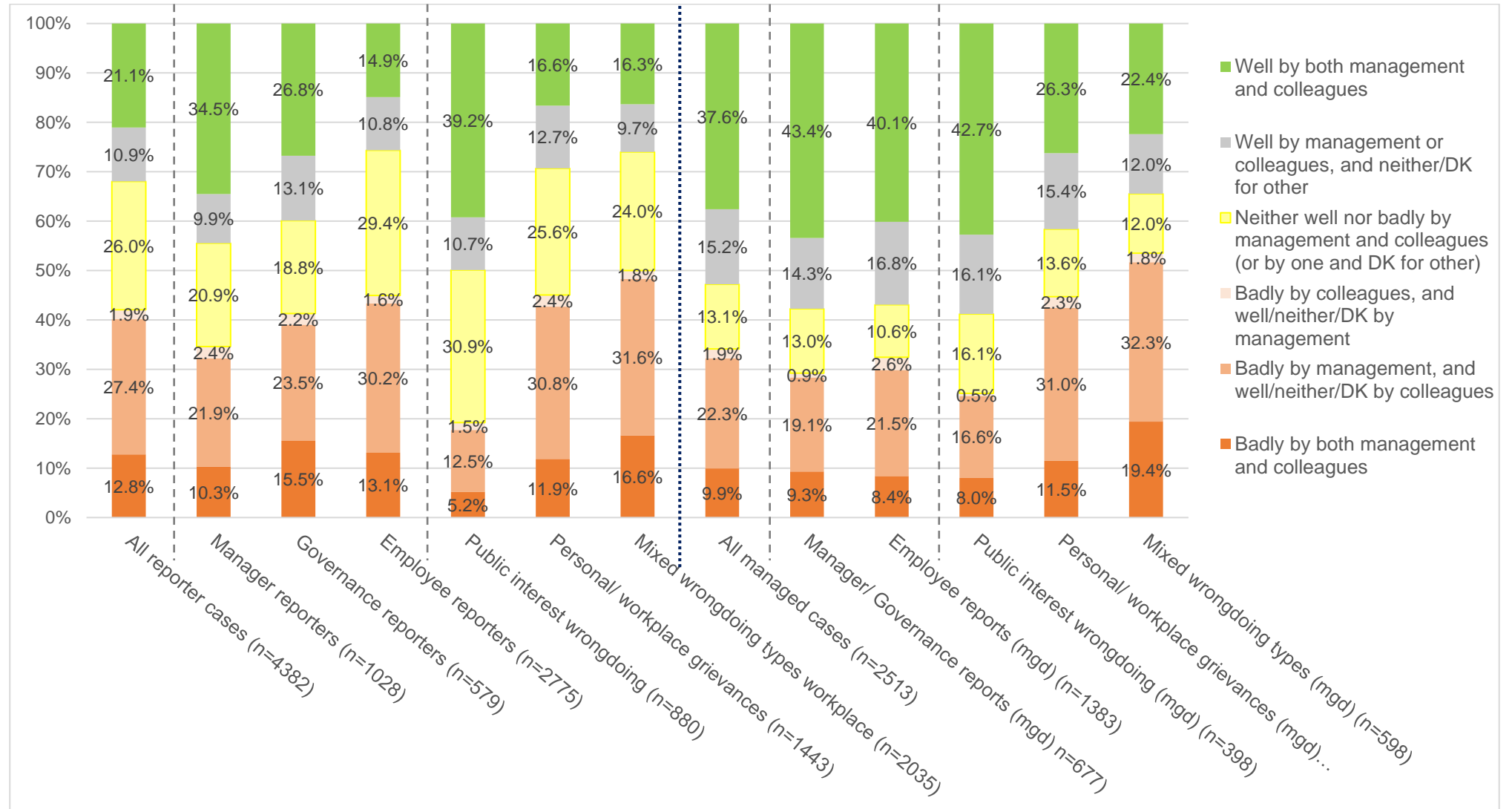
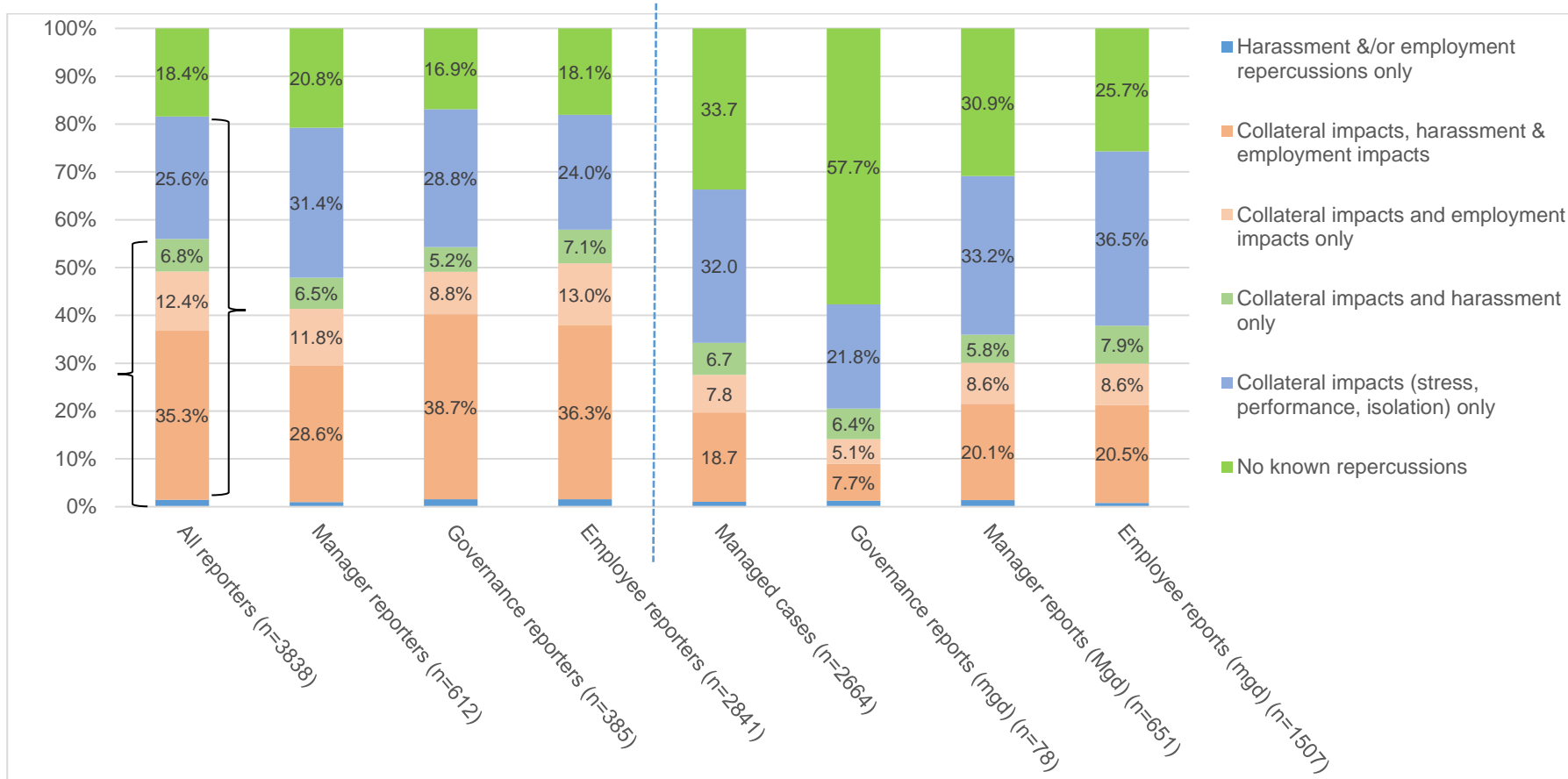


Figure 11. Reporter repercussions (by type) (%)



## Whistling While They Work 2: Improving managerial responses to whistleblowing in the public and private sectors\*

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10	Day, Warren	Mr	Regional Commissioner; Senior Executive Leader, Assessment & Intelligence, Australian Securities and Investments Commission
11	Lloyd, Chris	Ms	Senior Advisor, Integrity, NZ State Services Commission

### Partner Organisations

- 1 CPA Australia
- 2 Commonwealth Ombudsman
- 3 NSW Ombudsman
- 4 WA Public Sector Commission
- 5 WA Corruption & Crime Commission
- 6 WA Ombudsman
- 7 Victorian Independent Broad-based Anticorruption Commission
- 8 Victorian Ombudsman
- 9 Queensland Ombudsman
- 10 South Australian Ombudsman
- 11 ACT Government
- 12 NT Commissioner for Public Interest Disclosures
- 13 Australian Securities & Investments Commission
- 14 New Zealand State Services Commission
- 15 New Zealand Ombudsman
- 16 Australian Council of Superannuation Investors
- 17 Australian Institute of Company Directors

### Supporters

- 18 Telecommunications Industry Ombudsman
- 19 South Australia Independent Commissioner Against Corruption
- 20 Tasmanian Ombudsman
- 21 Tasmanian Integrity Commission
- 22 Transparency International Australia
- 23 Governance Institute of Australia

\* Incorporating **Australian Research Council Linkage Project** LP150100386 'Protecting While They Prosper? Organisational responses to whistleblowing'