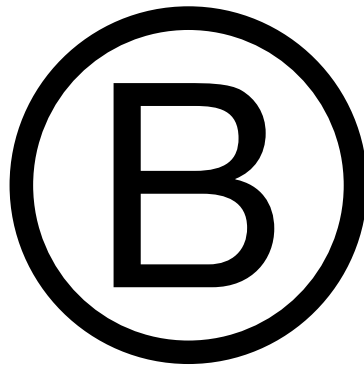


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**B Resource Guide:**  
*Whistle Blowing Policies*



# B Resource Guide: *Whistle Blowing Policies*

## What's in this Guide:

- I. Definition
- II. Code of Ethics
- III. General Whistle Blowing Implementation Guidelines
- IV. Whistle Blowers Procedures Models/Templates
- V. Resources/Links

## I. Definition

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Whistle blowing entails revealing wrongdoing or improper conduct within an organization to those in authority or to the public.<sup>1</sup>

In the US, the Occupational Safety and Health Act (OSH Act) under the Department of Labor protect employees against retaliation for protesting or complaining to their employers, unions, the occupational safety and health administration (OSHA), or other government agencies about unsafe or unhealthful conditions in the workplace, environmental problems, certain public safety hazards, and certain violations of federal provisions concerning securities fraud, as well as for engaging in other related protected activities.<sup>2</sup>

In addition, the passage of the **Sarbanes-Oxley Act of 2002** (Corporate Accountability Act) provides comprehensive whistleblower protections for all employees of publiclytraded companies. A brief and clear summary of the law addressing whistle-blowers is available here: [http://www.whistleblower.org/content/press\\_detail.cfm?press\\_id=21](http://www.whistleblower.org/content/press_detail.cfm?press_id=21).

Whistle blowing policies and guidelines should be implemented within organizations and companies of any size, and whether publicly or privately owned, to reinforce ethical behavior among staff and employees. These policies need to be written and available to employees in order to be executed and effectively handled internally by the organization. Inserting a whistle-blowing policy into your corporate code of ethics is a good place to start.

## II. Code of Ethics

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Ethics codes incorporate the principles and purposes of the organization and set the general guidelines to follow under the policy.<sup>3</sup>

Whistle blowing policies are generally included in an organization's code of ethics or code of conduct. A code of conduct applies to everyone who works for the organization. They usually cover a wide range of policies and standards that serve as a framework for organizations and its employees.<sup>4</sup> No set of ethical standards can be comprehensive and anticipate every eventuality. However, they are used as a first guide to potential eventualities.



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Corporate codes of conduct are completely voluntary. They can take a number of formats and address any issue. Also, their implementation depends totally on the company concerned.<sup>5</sup> Potential authors of a code are the founder, board of directors, CEO, top management, legal departments, or consultants. The process can involve employee representatives and/or randomly or otherwise selected employees.<sup>6</sup>

For more information on codes of conduct, see our **B Resource Guide: *Creating a Code of Ethics***.

### III. General Whistle Blowing Implementation Guidelines<sup>7</sup>

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The whistle blowing policy should be implemented in writing and be shared as part of the company's hiring and contracting process, as well as on its internal intranet.

In drafting one should consider the following guidelines.

- Inform all employees of what whistle blowing is and key processes around it, including:
  - What kinds of violations are covered under Dept of Labor and Sarbanes Oxley regulations for your industry and company and how to access current rules
  - What kinds of violations they are required to report
  - To whom they should report potential violations and what confidentiality rules apply to their communications
  - What protections they have from retaliation, what rights they have
  - What process and procedures will go into effect to resolve the issues raised by whistleblowers
- Create continuous training opportunities on how to deal with ethical dilemmas<sup>8</sup>
  - Support measures may be: performance and reward plans, ethical leadership, and ethics committees<sup>9</sup>
  - Consider using role playing games which teach and encourage internal reporting – an example is Business Scruples – it utilizes role playing to simulate ethical situations. You can download the gaming simulation from: <http://sag.sagepub.com/cgi/reprint/24/2/240>
- Encourage internal reporting
  - Internal whistle blowing can identify problems before they become a public issue, and can also identify corruption and fraud.<sup>10</sup>
  - Many companies create internal compliance and ethics committees to review reports and maintain anonymity
- Provide quick and effective action – set out a time-scale for dealing with eventualities
- Provide feedback
- Ensure confidentiality
- Maintain records
- Appoint a chief of ethics officer or ethics committee
- If appropriate establish telephone and/or email hotlines to be used by employees to report unethical behaviour

### IV. Whistle Blowers Procedures Models/Templates

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- The Royal Melbourne Institute of Technology (RMIT)<sup>1</sup> has implemented the following whistle blowers model. It outlines procedures that enable disclosures to be made in a systemized manner and to the appropriate person/body. It is a concrete example of whistle blowing manuals. <http://mams.rmit.edu.au/2r9d9qd05nm5.pdf>
- Research Triangle International's (RTI) code of conduct clearly states what to do to report a possible code violation. It explains general procedures and standards that serve as a guideline for its employees. Page 20 specifically defines what to do to report a possible code violation. <http://www.rti.org/pubs/CodeConduct.pdf>
- The Illinois Institute of Technology's Center for the Study of Ethics in the Professions website is useful when researching codes of ethics for selected companies and industries. It comprises a vast and valuable database. [http://ethics.iit.edu/codes/codes\\_index.html](http://ethics.iit.edu/codes/codes_index.html)
- The Institute of Business Ethics is a charity based in London and its vision is to disseminate knowledge and good practice in business ethics. Their website provides useful information on implementing ethics codes. Its "examples" page provides a wide selection of companies' codes. Their news/resources/links/international links page provides links to international sites. [http://www.ibe.org.uk/codes\\_I.htm](http://www.ibe.org.uk/codes_I.htm)

### **V. Resources/Links**

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#### **Whistle Blower Protection Program**

<http://www.osha.gov/dep/oia/whistleblower/index.html>

#### **U.S. Department of Labor**

<http://www.dol.gov/>

#### **Government Accountability Project**

Non-profit public interest group that promotes government and corporate accountability

<http://www.whistleblower.org/about/index.cfm>

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<sup>1</sup> <http://www.answers.com/topic/whistleblower?cat=biz-fin>

<sup>2</sup> <https://www.dol.gov/compliance/topics/whistleblower-protections.htm>

<sup>3</sup> Tavakolian, H. Management Research News. Patrinton: 1994. Vol 17, Iss. 1,2; pg. 1,II pgs

<sup>4</sup> <http://www.rti.org/pubs/CodeConduct.pdf>

<sup>5</sup> <http://www-old.itcilo.org/actrav/actrav-english/telearn/global/ilo/code/main.htm>

<sup>6</sup> Ibid.

<sup>7</sup> <http://www.freedomtocare.org/page103.htm#model%20whistleblowing>

<sup>8</sup> Maddocks, MP. (1992, March) in Tavakolian, H. Management Research News. Patrinton: 1994. Vol 17, Iss. 1,2; pg. 1,II pgs



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<sup>9</sup> McCuddy, Reichardt, and Schroeder, (1993) in Tavakolian, H. Management Research News. Patrinton: 1994. Vol 17, Iss. 1,2; pg. 1,11 pgs

<sup>10</sup> Keenan and Krueger, (1992) in in Tavakolian, H. Management Research News. Patrinton: 1994. Vol 17, Iss. 1,2; pg. 1,11 pgs

<sup>11</sup> <http://mams.rmit.edu.au/2r9d9qd05nm5.pdf>