Chapter 10
Ethical Challenges: The Influence Organizational and Personal Values Have on Perceptions of Misconduct and the Factors of Whistleblowing

Asiye Toker Gökçe
Kocaeli University, Turkey

Regina Durante
https://orcid.org/0000-0002-4502-0051
Galveston College, USA

ABSTRACT
A whistleblower might be considered as trying to help or cause trouble for an organization. Although whistleblowing seems to be a threat to organizational authority structures, it can improve long-term organizational effectiveness when leaders encourage whistleblowing in their organizations to improve their organization’s effectiveness and efficiency. Further, the assurance of an ethical organizational system of procedures to frame behavior coupled with individuals who hold similar values can aid organizations in reducing wrongdoing. Without a framework of aligned values, a lack of consensus occurs causing ethical dilemmas. To better understand the motives and reasoning behind whistleblowing and whistleblowers when perceiving wrongdoing, this chapter examines the influence organizational and personal values have on perceptions of misconduct and the factors and characteristics of whistleblowers. In doing so, it will aid leaders and managers in understanding and solving issues of conflict within their sphere of influence.

INTRODUCTION
Whistleblowing is described as ‘the disclosure by organization members of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action’. A whistleblower releases information deliberately and employs unconventional methods.
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to make the disclosure. When normal disclosure channels have failed, the whistleblower may feel compelled to act. A whistleblower has two dilemmas; a dissent between personal and organizational values, and a dissent between engagements owed to his/her organization and to parties beyond it. Thus, moral courage and moral reasoning are two of the most important factors to understanding one’s propensity to blow the whistle. Moral reasoning requires the ability to recognize and correctly evaluate any ethical dilemma (Near et al., 1993; Jubb, 1999; Miceli et al., 2001; Liyanarachchi & Newdick, 2009).

As a process, whistleblowing is giving information about the acts resulting in harm to third parties. It is a disclosure by organizational members of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action. However, the whistleblowing might be regarded as either pro-social behavior or trouble in an organization. Hence, it either seems to be a threat to an organization or an opportunity to improve long-term organizational effectiveness. In this sense, when leaders encourage whistleblowing in their organizations, they would create a chance to improve their organization’s effectiveness and efficiency. So, organization members, stockholders, and society can benefit from the halt of organizational wrongdoings such as fraud, discrimination, or safety violations. From this point, whistleblowers may suggest solutions to organizational problems (Near & Miceli, 1985; Miceli et al., 1999).

Whistleblowing is seen as a last resort for avoiding deviant behaviors in organizations. For this reason, leaders take measures to prevent such wrongdoings from occurring within the organization. Facilitating internal whistleblowing is only one such organizational measure. Also, employees with high ethical awareness can avoid these kinds of wrongdoings. Leaders, with these employees, possible notice potential wrongdoings immediately and prevent them before taking place at all.

Further, the assurance of an organizational system of procedures to frame behavior coupled with individuals who hold similar values can aid organizations in reducing wrongdoing. Without an established framework of aligned values within an organization or employees who hold personal values and ethics that frame their actions, a lack of consensus occurs causing conflicts and further misconduct.

A lack of consensus occurs in many public and private organizations. Saying one thing while doing another appears commonplace practices for many leaders, managers, and employees. A sliding metric of right and wrong behavior can be found in any organizational culture. To better address and understand the motives and reasoning behind whistleblowing and whistleblowers when facing immoral, unethical, or illegal practices, this chapter examines the influence organizational and personal values have on perceptions of misconduct and the factors of whistleblowing. It will bring to light the characteristics of whistleblowers and the thought processes of ethical decision-making.

Further, it serves global readers working in any organizational sector with an understanding of value-based leadership and its influence on the perceptions of wrongdoing. It offers a practical model of value-based decision-making when facing practices of misconduct while suggesting answers to questions concerning how and why actions are perceived and how to align better organizational values with behaviors. Finally, by understanding the nature and thinking of whistleblowers, it aids leaders and managers in solving issues of conflict within their sphere of influence.