Speak Now or Forever Hold Your Peace: An Essay on Whistleblowing in Brazilian Organizations

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Recent corporate scandals have prompted an increasing concern about the impact of corporate wrongdoing in business environment and society. Research have consistently demonstrated that the most effective mechanism of fraud detection are not the costly auditing but the “tips”, i.e., information provided by observers who decided to blow the whistle. Nonetheless, the field is still fragmented, restricted and plagued with inconsistent findings. Outside the Anglo-Saxon cultures, research has not yet shown what influences an employee"s decision to report malpractices. Especially in Brazil, an informal and relational culture, where employees tend to adopt a passive attitude due to a high aversion to conflict, the intention to report an observed wrongdoing can be culturally hindered. Therefore, this essay proposes a comprehensive framework, integrating organizational, individual and situational influences, to understand the process of whistleblowing in Brazilian organizations. By exploring seven theoretical propositions, we expect to contribute with a further understanding of the phenomenon, providing useful insights on how culture aspects influence whistleblowing intentions and how organizations may encourage individuals to report malpractices. Finally, we expect to pave the way for future research in Brazil – where the literature on the topic is still inexistent – and in other countries whose cultural context share similarities – such as Latin American countries in general.

Marco Teórico:
The widespread definition of the term whistleblowing the years was proposed by Near and Miceli (1985, pp. 6), who conceptualizes the phenomenon as “the disclosure by organization members (former or current) of illegal, immoral and illegitimate practices under the control of their employers to persons and organizations that may be able to effect action”. Despite the fact that some scholars have argued that true whistleblowing relates only to reporting to parties outside of the organization, the use of the term whistleblowing refers to both internal and external complaints. Moreover, research has demonstrated that many whistleblowers report wrongdoing via both internal and external channels, with the former usually preceding the latter. It means that most employees will only blow the whistle externally when a previous internal disclosure was not successful. In addition, internal whistleblowing is noted to be not only more common but also preferred in an ethical viewpoint, as reporting a wrongdoing to an external party may cause more serious damages and breach obligations to the organization, violating the written or unspoken contract. Internal whistleblowing, on the other hand, allows organizations a chance to privately correct the violation, avoiding scandals. Regardless the channel used to report, those who blow the whistle may be considered traitors. Some, for example, view whistleblowing as an act of dissent - since it involves the disclosure of information that others seek to keep private. Whistleblowing is also noted to be a conflict either with the organization or with the wrongdoer, or even a disruption on the organizational unity. To some scholars, however, when the nature of employee loyalty is understood correctly, it becomes clear that a whistleblower is acting in accordance to his/her loyalty towards the organization, its missions, goals, values and codes of conduct. As a complex construct, whistleblowing is dependent upon a wider social and cultural setting. Still, there is a tendency to investigate the phenomenon from a culturally bounded perspective, without focusing on cultural differences, which may hamper a better understanding of the whistleblowing behavior and the generation of relevant insights to practitioners and policy makers. Specifically in a culture such as the Brazilian, the intention to report an observed
wrongdoing can be hindered. Blowing the whistle by exposing a wrongdoing is definitely incompatible with a relational-based culture that values personal loyalty and discourage conflict, so is it with the passive or spectator attitude that permeates Brazilian way of being. The metaphors of “house” and “streets” as well as the Brazilian jeitinho, in turn, imply that rules do not apply equally to everyone in the society, suggesting that the decision of blowing the whistle – besides of being a non-natural course of action - is contingent to personal relations. In fact, Brazilians, as well as Chinese, Japanese and other people from collectivist cultures in general, tend to view whistleblowing as a negative behavior, which is clearly reflected on the language used to describe whistleblowers, full of pejorative expressions such as “dedo-duro” (snitch) and “traíra” (traitor).

Resultados e contribuições do trabalho para a área:
In order to provide a comprehensive framework to understand the process by which an individual decides to blow the whistle when he observes a corporate wrongdoing, we developed a model that identifies some antecedents of whistleblowing intentions and examines the moderating effects of organizational and situational variables. First, we proposed that whistleblowing judgment is an antecedent of whistleblowing intention. It means that one’s evaluation of the ethicality of whistleblowing is a necessary prior step which predicts the decision about whether or not to report a wrongdoing. This evaluation is strongly influenced by the individual’s ethical judgment of the situation as well as by the seriousness of wrongdoing. More specifically, we proposed that the more serious and unethical an observed conduct, according to the individual’s evaluation, the more favorable is his/her judgment concerning the ethicality of whistleblowing. Finally, we believe that the relationship between whistleblowing judgment and whistleblowing intention is moderated by four variables, namely: the fear of retaliation, the status of the wrongdoer, the perceived organizational support and the tolerance for dissent in the organization. In other words, it means that individuals that judge whistleblowing as a correct course of action may decide not to blow the whistle if they fear retaliation, if the misconduct was committed by a high status member of the organization, and if the organization does not tolerate dissent and does not provide support for its members. For each of these relationships, we developed a theoretical proposition. As a first attempt to understand whistleblowing in the Brazilian context, this essay reinforced the belief that the phenomenon is largely influenced by cultural elements. Specifically, we posited that characteristics that permeate Brazilian society such as the high power distance, the overreliance on interpersonal relationships, the conflict aversion and the passivity make whistleblowing a non-natural course of action for people. Based on that assumption, we propose that the intention to blow the whistle on a wrongdoing is the complex result of the interplay between organizational, individual and situational variables. Basically, it depends on how the individual judges the whistleblowing behavior, which in turn is a result of the individual evaluation regarding the ethicality and the seriousness of the wrongdoing. Still, individuals may decide not to blow the whistle if they fear retaliation, if the wrongdoer holds a high status and when the organization is not perceived to tolerate dissent or to support the employee. Despite many of these elements have already been presented by previous research, their influence on whistleblowing behavior has not been analyzed under a cultural perspective. While we expect to contribute with the literature by providing new insights on the phenomenon, this study also revealed a need to expand the current knowledge and to explore the influence of cultural elements and other factors involved in whistleblowing decisions. As organizations face a growing demand to deter frauds, manage risks effectively and to promote corporate governance procedures, whistleblowing will be keeping attracting increasing attention and requiring further investigation.
Referências bibliográficas: