Organizational Culture and Ethics:
The Influence Organizational and Personal Values Have on Perceptions of Misconduct and the Factors of Whistleblowing

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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 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 at 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. 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. 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).

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.

Leadership and Values

Leadership is a broad mandate for individuals to act as ethical role models (Dorweiler &Yakhou 2006) who serve to define the organization's culture. An organization's culture socializes people conveying actions that are acceptable, regardless if the actions are legal or ethical (Sims, 1994). The culture works to join leaders and followers through a common core of values that each turns to when determining if actions or decisions regarding behavior are correct. Value-based leadership creates a culture supportive of beliefs that lead to growth, self- direction, and an understanding for those within the system. Further, when observing behavior that seems to conflict with known rules and policies, aligned values create a framework from which individuals can turn to form decisions that comply with the organization's mission and values. Cultural values offer the knowledge on what to do and how when situations arise that require multiple ways to respond to what is observed or known as acceptable or correct behavior. Value-based cultures set the tone and acceptance of everyday actions and procedures for those within the organization.

In addition to providing an understanding of procedures and goals, it enables relationships of trust and confidence to develop by creating an environment that establishes and teaches a set of core values to followers. Within the framework of processes, procedures, policies, and management, value-based leadership develops underling ethical principles through which followers decide how a problem should be solved in accordance with the structure or ethical rules that the organization has established. Ethics is a philosophical system of moral principles that underlie the rules of conduct for individuals and groups regarding the rightness, wrongness, goodness and badness of motives, acts, and results of actions (Stein & Urdang, 1971).

However, life is often an array of conflicting motives or reasons when it comes to making decisions and taking action. Personal values also form our perceptions of reality, truth, and correctness. As we go through our workday, we encounter situations or circumstances that cause us to reflect on what we perceived, heard, or understood to be right. From this point, we judge if the actions around us are acceptable or in accordance with what we believe or know to be proper and correct. Our personal values then also serve to frame our perceptions of acceptance of what we see and experience.

In fact, personal ethics plays a vital focus on perceptions of misconduct in the workplace. Beyond leadership's role in defining and demonstrating an organizational framework of values and ethics, personal values and beliefs can equally influence how or if misconduct is recognized, overlooked, or under-reported by those who see it, report it, or take action to stop it. These individuals are called whistleblowers. They are individuals who accept the organization's culture of values, or possess a personal set of values and upon seeing wrongdoing step in to take action to prevent it or stop it.

Values and Perceptions

Perception is the act of capturing or understanding by the senses or the mind thoughts that acknowledge and recognize moral qualities (Stein & Urdang 1971). Values represent the beliefs, ethics, or principles

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