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# Don't shoot the messenger: how to build a whistleblowing system



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An effective whistleblowing system is like a protective wall around a business, but very difficult to implement. Here are a few steps to get it right.

As the NHS has seen to its cost, preventing people from speaking out about a problem can be counterproductive, compound the issue (as it inevitably does), and damaging to reputation.

Despite the fact that an effective speak-up or whistleblowing system can provide an organisation with an early warning system, we repeatedly see the problem buried, with potential whistleblowers too scared to blow the whistle. Or, when brave enough to speak, the



messenger is shot - at least metaphorically, through gagging orders, dismissals or victimisation.

In a target-driven world, a problem is often the last thing anyone wants to see. But covering it up is never the answer, as we have seen with Libor, Enron and most recently the NHS, to name the most infamous cases.

Establishing an effective speak-up system can also be a vital part of an anticorruption programme and is recommended as such by the OECD, the United Nations and the Council of Europe.

Good Corneration 's experience of assessing athical conduct in a wide range of

businesses around the world confirms that establishing an effective whistleblowing system can be hard, but there are crucial steps that can be taken to get it right:

- 1) Advertise it. A whistleblowing line is useless if it isn't promoted and isn't known about this might sound obvious but because of regulation such as Sarbanes-Oxley many companies have established speak-up systems in order to comply, without any intention of making them work.
- 2) Tailor-made for local markets. Whistleblowing systems work much better when they are championed and managed locally. All too often speak-up systems are seen as remote, head office initiatives that employees are fearful of using.
- 3) Get the name right. The term whistleblowing can have negative connotations. Businesses where employees and contractors are encouraged to speak-up in their day-to-day work are healthier, safer and less prone to corruption. A well-managed speak-up system will prove far more effective than a so-called whistleblowing hotline.
- 4) Culture matters. There is no question that whistleblowing works better in some cultures than in others. In many Asian countries it is almost impossible to get employees to call a hotline. In much of Western Europe, there is a strong dislike of whistleblowing and little commitment to making it work. The best companies develop cultures where speaking up is part of working life. This shifts the emphasis away from negative connotations, while creating an environment that encourages employees to report malpractice or wrongdoing
- 5) Training is essential. Speak-up systems only work if employees are trained on how to use them. Encouraging employees to raise issues directly with line managers wherever possible is an essential part of this training. However, teaching employees when it is appropriate and empowering them to do so, is also crucial.
- 6) Extend speak-up to outsiders. The most effective speak-up systems are those that are extended beyond employees to include contractors and first tier suppliers. By including them, the company gives a strong message about the value it places on knowing what is happening on the ground and not ignoring issues if something is wrong.
- 7) Take it seriously. Demonstrate through proper and fair investigations that the company treats the issue seriously. Problems are often passed back to the management (that has caused them) who are then charged with investigating the issue. Local management should, of course, present its viewpoint, but it must be evidenced based and non-judgemental.
- 8) Manage well. Establish a clear management system for dealing with any problems, including when to report to regulators/authorities and how to manage any damage limitation, should a serious problem be revealed which could have a negative impact on the company's reputation

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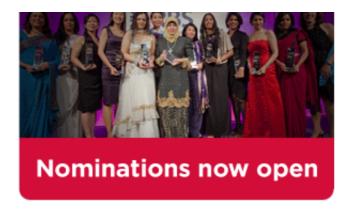




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