



Best Practice Guide

Whistleblowing Policies

Whistle blowing refers to the disclosure of information by an employee or other agent of a company about a perceived wrongdoing within the organization. A Whistle Blowing policy is a company statement that protects those individuals from retaliation or repercussion if they bring to attention any negligence or wrong-doing within the company.

Why have a Whistleblowing Policy?

Whistleblowing refers to the disclosure of information by an employee or other agent of a company about a perceived wrongdoing within the organization. A Whistle Blowing policy is a company statement that protects those individuals from retaliation or repercussion if they bring to attention any negligence or wrongdoing within the company.

A company should implement a whistleblowing procedure to encourage employees to communicate their concerns about illegal, unethical or questionable practices to the Board and senior management without fear of reprisal. Such communication should be made anonymously, so as to prevent any nuisance or negative reaction by the other employees or employees' supervisors.

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 handled effectively by the organization. Inserting a Whistle Blowing policy into your corporate code of ethics is a good place to start.

Most cases of whistle blowing remain internal to a company. External whistleblowing is when an employee reports misconduct to someone outside of the company, often the media, watchdog groups, or law enforcement. Internal whistle blowing allows the company to take appropriate corrective actions before the misconduct becomes a public issue. Therefore it is necessary to put in place confidential reporting mechanisms that protect employees against any potential retribution.

Without a written policy, whistleblowers may face severe repercussions for their actions, including workplace retaliation or dismissal, psychological damage and/or physical harm.

Code of Ethics

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. No set of ethical standards can be comprehensive and anticipate every possible eventuality. However the code of conduct framework provides a starting reference point for employees and management.

A Code of Ethics and Small Businesses

A Code of Ethics (also known as a Code of Conduct) is a formal document that establishes behavioral expectations for the company and the people who work there. Although small businesses are usually characterized by informal understandings and shared expectations among the workforce, a code of ethics can describe and reinforce the company values and culture, so that they are clear to all stakeholders. It can also guide and support employees in their conduct and provide a context for them to raise concerns.

Implementation Guidelines

When developing a Whistle Blowing policy, the procedure should consider the following issues:

When?

The system should be implemented after (i) consultation with employees, of the representatives of the employees, or the trade unions, and (ii) having individually informed each employee that such procedure has been implemented in the Company.

What?

Illegal and unethical behaviors should be clearly defined and well disclosed.

Who?

The question to be answered here is who is subject to this procedure. Should all employees be concerned? It is recommended that your company subject all its employees to the whistleblowing procedure, so as to ensure the widest protection of the interests of the company and employees.

How?

The technical means for the transmission of information about a potential incident should be well defined: telephone, postal denunciation, e-mail or even physical presence. In addition, the addressee of such concerns should also be identified. The treatment of the denunciation could even be assigned to a third-party or organization.

Which Consequences?

If the denunciation does not incur any result, the employee who triggered the procedure should not be held accountable, except if such denunciation was made maliciously. The person should be presumed innocent until the wrongful behavior is proven and have access to all data regarding the denunciation.

Endnotes:

- 1 <http://www.ibe.org.uk/index.asp?upid=80&msid=69>
- 2 <http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/35021642.pdf>
- 3 http://www.unodc.org/pdf/crime/convention_corruption/signing/Convention-e.pdf



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