

Whistleblowing as an investment in your business



The importance of having a clear policy and a transparent process for internal whistleblowing has for years been recognised as an essential tool for business. A whistleblower can provide valuable information from the ground on how a business is being run, and critical intelligence on its level of employee engagement. Standards and guidelines for the creation of whistleblowing policies have been set by many countries, including the United Kingdom. Summer 2021 is expected to see the publication of a new international standard - ISO37002 - set by the International Organization for Standardization (ISO) to provide a complementary framework for whistleblowing that is applicable to all regions and across regulatory jurisdictions.

For boardrooms, there will be many points to take into consideration. The British Standards Institute (BSI) is the UK member of the ISO global network of national standards bodies, and this new international standard comes as the pandemic has drawn attention to the rise of social media as a tool with which employees can voice their grievances. This ISO standard will share best practice on how to implement an internal whistleblowing procedure, but also offer critical guidance on how organisations can best use the information they gather from the reports they launch as the result of a whistleblowing incident.

Following a procedure to 'blow the whistle' internally in the first place demands trust and a good flow of communication between companies and their employees. For many businesses, the pandemic experience has served to highlight inequalities in working conditions, income, and the treatment of workers. In the wake of Covid-19, the use of social media as a tool to voice

employee concerns continues to cause corporate dismay: if the grievances are a mix of personal dissatisfaction and professional misgiving, they can be difficult to unravel, while remaining damaging in the public eye. Getting an appropriate and acceptable internal whistleblowing procedure in place at the outset is key.

If there is no internal company procedure to channel employee concerns, it is all too easy for them to be voiced instead on highly visible platforms. In June the Scottish craft beer brewer BrewDog was sent [an open letter on Twitter](#) from former employees expressing their grievances. Toxic attitudes towards junior staff had "trickled down" throughout the business "until they were simply an intrinsic part of the company", it said. "Put bluntly, the single biggest shared experience of former staff is a residual feeling of fear. Fear to speak out about the atmosphere we were immersed in, and fear of repercussions even after we have left," it added.

Whistleblowing is an early warning system for any business, regardless of size, and having the right whistleblowing policies and processes in place should be seen as an investment in the business. In the UK's financial services industry, the regulator the Financial Conduct Authority (FCA) launched [a campaign](#) early in 2021 to encourage individuals to report wrongdoing, and invested further in its own capacity to support whistleblower interaction. Pav Gill demonstrated the power of [a single whistleblower at the German company Wirecard](#) after being blocked internally on reporting his concerns, leading to the exposure of one of Europe's biggest corporate frauds, with the assistance of the Financial Times newspaper.

[The 2019 EU Directive](#) on whistleblowing which provides triple protection to the whistleblower for speaking up internally, to the regulator or to the media, faces a deadline for implementation into national law by member states by the end of 2021. Seeing its forthcoming guidance as complementary to that Directive, the ISO standard working group also considers it to be applicable to small and mid-sized companies. In offering a blueprint for what a good internal whistleblowing system looks like, it will offer questions that lay out the scope for dealing with a whistleblowing report when it lands.

At the outset of devising a whistleblowing process boards will need to consider cultural and language differences in the acceptability of different means to 'blow the whistle' in businesses that span many geographies. Data privacy laws may add complication in the use of hotlines or digital messaging platforms. The ISO working group has also flagged the importance of noting different supply streams and regulatory contexts. Integrating the best practice guidelines provided into internal policy will involve asking questions around the boardroom table on how to make the ISO standard fit and work for your organisation.

Each whistleblowing report will require a decision on whether or not an investigation is warranted and if there is in-house resource in place to handle it if required. For whistleblowing management to run smoothly, these are all issues for which the boardroom must be prepared.

Organisations which operate globally will be delighted to have ISO 37002 when it is released, as long as they have already started to ask themselves a series of questions. Raising employee engagement and supporting workers to 'speak up' will only be of true value if the information that comes out of the process is then handled well and fed back into the broader focus of boardroom strategy.

The ISO working group for the standard has pointed out via interviews and media reports that health and safety standards too, seemed onerous when they were first introduced. New whistleblowing standards it suggests, are also just about changing a mind-set. In recent years it has become clear how much change in business can only take place if corporate culture is amenable to it, and this new standard could be viewed as simply another way to look at your organisation's culture.

