

Internal and external whistleblowing

Internal whistleblowing about malpractices and waste of resources is an underutilised mechanism with huge potential to improve any institution, and not only to report corruption.

There is no general moral requirement to report wrongdoing and there is no special prohibition if the wrongdoing occurs within the company. However, if an activity is illegal or causes serious harm to individuals or to the company, reporting such activity internally and/or externally is morally permitted.

Internal whistleblowing is the most preferable type of whistleblowing compared to external whistleblowing, that can be damaging to both the employer and the employee. With external whistleblowing, employees can reveal company secrets that can be exploited by competitors to gain a competitive advantage.

MORAL JUSTIFICATION

External whistleblowing is not always morally justifiable and permissible from the employer's perspective because it is not with the consent of an institution and can cause harm to an institution. Whether it is morally required from the employer's perspective, depends on the severity of the harm, the person's position within the company and *vis-à-vis* the perpetrator,



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the company's general operating procedures and other factors.

De George said that the point is not to look for an automatic rule, but to consider and weigh the important factors in each case. Moral justification from the employer or company's perspective is however just one perspective and is not necessarily in the best interest of the employee, the customer and/or the public in general.

Irrespective of the moral justification, external whistleblowing is a symptom which shows that internal reporting mechanisms and the supporting environment to stimulate internal communication and to resolve internal conflict, has failed. Such an institution cannot heal itself and has most likely a social disease.

References

De George, R.T. 1999. *Business Ethics*.

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