



Whistleblowing in financial sector organizations

Towards an identity work perspective

Dr Kate Kenny

Centre for Work, Society & Governance



OÉ Gaillimh
NUI Galway

Whistleblowing in financial sector organizations

Irish cases:

- Custom House Capital
- UniCredit Bank
- Irish Nationwide
- AIB



Whistleblowing

Research tends to fall into two categories:

'**Factors**' that influence experiences of whistleblowing, e.g. **structural circumstances** surrounding the organization:

- Public or private **sector** (Vinten, 1994),
- **Country** context (Skivenes and Trygstad, 2010)
- **Hierarchical** structure in place (Rothwell and Baldwin, 2006)
- **Status** and position of the whistleblower (Bjorkelo et al., 2011)

Resulting **likelihood** of whistleblowing occurring in different settings

Resulting types and extent of **retaliation** (Near and Miceli, 1996; Rothschild and Miethe, 1999)



Whistleblowing

Research tends to fall into two categories:

Gathering experiences of whistleblowers themselves (Alford, 2001; Glazer and Glazer, 1989)

- Qualitative & unstructured, focus on **lived experiences**
- **Range of sectors** studied
- **Commonalities** in experiences identified, e.g. C. Fred Alford's 'narcissism moralized' (2001: 13)

Gap around the relation between **practices of whistleblowing** and **forms of power** in society and within organizations



Research data

Primary Interviews (in progress): Olivia Greene, Irish Nationwide, A.B., AIB, Transparency international, Media sources, Civil service, Public bodies, political actors, Financial services ombudsman, Garda Bureau of Fraud, Office of Director of corporate enforcement via Dept of Enterprise, trade and employment, CLRG, IAASA, Competition authority, IBEC, Chambers Ireland, IS A.B., Irish bankers federation

Secondary interviews: RTE radio interviews, 'Right to Silence' event (2011)

Industry events: 'Ethics today: Hard Calls, Right Decisions': Chartered Accountants Ireland event, December 2011

Publications: e.g. The Business Compass, CAI (2012), IFAC study (CAI), IBOA Finance union's survey of members on corruption, NIS study (Transparency International)

Government data: Oireachtas joint committee on Economic Regulatory Affairs (2009-2010), Dail Eireann debates (2009-2012), Select committee on Finance and the public service (2009-2012)



Whistleblowing in financial sector organizations

Theoretical approach to **Identity**

- Identity as a **narrative process**, of ‘defining, constructing and refining our sense of “who we are” during social interaction’
- **Discursive psychology (DP) & poststructural analysis** (eg Reynolds and Wetherell 2003; Dixon and Wetherell 2004). Focuses on the process through which identities are constructed, contested and maintained, without viewing them as fixed ‘essences’ that lie outside of discourse
- Researchers are alert to where identity positions are **being used** and proffered, taken up and set down, e.g. Mueller & Whittle on Banking inquiry in UK: Moral plots, villains and heroes (Potter & Wetherell, 1997)
- identity as always ‘in process’ means that it is always precarious and therefore has the potential for **inconsistency and contradiction**, and this is highly valuable (Reynolds & Wetherell, 2003)



AIB case: A.B.

Whistleblower as...

A figure of suspicion

(A.B.) *'is a disaffected employee who is stirring up problems for a bank that is currently in a weakened position'* **TD Sean Ardagh** (Joint Committee on Economic Regulatory Affairs, March 24th 2009)

'Whistleblower had coloured history with AIB' **Irish Examiner headline**, March 25, 2009

A threat to the nation

Company Law Review Group's rejection of Director of Corporate Enforcement's call to offer whistleblower protection under Company Law because *'Ireland's reputation as a lightly regulated economy could suffer'* (2007)

This group's report to **Department of Enterprise, Trade and Employment** recommended that *'no company law specific to whistleblowing provisions should be included in company legislation'* (2008)



AIB case: A.B.

Whistleblower as...

Rational technocrat

Responding to a perceived lie by the Regulator: *“Contrary to the Financial Regulator’s assertion, at no stage in any of my discussions with him did I indicate that I had withdrawn any of the facts that I had brought to his attention.”*

Deputy Seán Ardagh: Is Mr. A.B. of the view that a cosy relationship existed between the Financial Regulator and the senior management and board members at AIB?

Mr. A.B.: *My belief is probably irrelevant. The facts would tend to indicate that this was the case. I am a lawyer and everything I have said is factual and can be found in reports. I try to avoid opinion as much as possible.*

(Joint Committee on Economic Regulatory Affairs, March 24th 2009)

“I am a solicitor by profession...”

“From my time as a lawyer in the aviation industry”



AIB case: A.B.

Whistleblower as...

Ideal citizen

“At a time when credibility, transparency and integrity are needed in our banking system, Mr. A.B. epitomises the good banker who cares for his customers. The integrity of his position is clear and I laud him for it. The country needs people like Mr. A.B., who have stuck it out within the system, stood up for the truth.... they are the sort of bankers we need and desire.”

TD Fergus O’Dowd (Joint Committee on Economic Regulatory Affairs, March 24th 2009)

Represents an ideal citizen in Ireland’s future democracy. We must *‘liberate and empower the whistleblower.’* **Fintan O’Toole** (Alternative to Silence event) http://www.youtube.com/watch?v=Kg_ivvuxPvA 4.45 to 7.

‘We all support whistleblowers in this room’

(Nolan, 2011)

Political rhetoric around WB legislation (2011)

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AIB case: A.B.

Whistleblower as

A flawed, struggling father

Narrative of hope, abandonment, disillusionment over engagements with Central Bank and Financial Regulator: *'I found myself out on the street after five minutes'*. (**A.B.**, Joint Committee on Economic Regulatory Affairs, March 24th 2009)

In response to 'what was it like for you?':

Describes himself as lonely, weak (financially, legally), ordinary 'merely doing my job', mistake-maker, shy, *"you feel on your own against this massive organization... they have enormous resources and they have... teams of lawyers and you're on your own. And that does feel insurmountable"*

<http://www.youtube.com/watch?v=Loqpl1FSIpU>

2:16-4:56 Ostracized, lost credibility, ordinary family man, self-doubter



AIB case: A.B.

Whistleblower as...

a mere signpost to bigger problems

A.B. continually effaces his presence and tries to deflect attention to the wider culture in banking.

“What happened to me is minor and insignificant. It is simply an example, and not necessarily the biggest example, of how the regulator failed to regulate. That is why many of the issues which currently occupy legislators and the public have come to pass.” (Joint Committee on Economic Regulatory Affairs, March 24th 2009)

a resource to be used

Organizations should *‘see these people as a resource’* (Fintan O’Toole, Justine McCarthy) (ATS)

Transparency Ireland activities around lobbying for Whistleblowing legislation



Emergent themes

Whistleblower as

- ideal citizen?
- a resource to be used?
- a figure of suspicion?
- a threat to the nation?
- a flawed, struggling father?
- a rational technocrat?
- a mere signpost to bigger problems?

... competing and contradicting identity positions



Making sense of the data

Competing identity positions

Perry (1998)- Whistleblowers caught in the **irreconcilable structural contradictions** between:

- the need for **silence** (techno-scientific rationality that underlies modern organizations), see also Goffman
- Contemporary post-Enlightenment **valourization** of ‘truth-telling’

Grant (2002)- Whistleblowers as ‘**saints/ martyrs**’ of contemporary culture- we require regular sacrifice in order to continue as usual

Whistleblower as liminal position?



Returning to question:

What can these identity struggles tell us about the **symbolic codes** governing **Ireland's banking culture**?

Specific context of **Ireland** and **Financial Sector**: Persistence of neo-liberal ideology, close-knit business, governance, political and banking community (TASC Golden Circle)

Ireland's Banking Culture: Will new laws and 'more Ethics training' suffice?



Comments and suggestions

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