Whistleblowing in Organizations: Implications from Litigation

A growing body of law offers protections to employees who "blow the whistle" on illegal or dangerous activities in their organizations, making whistleblowing a complex area for management. Failure to act upon the information provided by the whistleblower or retaliating against him or her can result in costly litigation. An analysis of 188 cases of whistleblowing litigation selected randomly from 940 litigated between 2003 and 2010 sheds light on general characteristics of the whistleblower and employer response--typically trying to discharge the employee (75% of the litigated cases). The employers prevailed in about one-half of the cases, the employee in 20%, with the balance involving split decisions. Managers will benefit from four suggestions for navigating this fraught area.

Marsha Katz, Helen LaVan, and Yvette P. Lopez

Acting Ethically: Moral Reasoning and Business School Student Behavior

Among specific individuals in high-profile, U.S. corporations involved in illegal or unethical activities in the past decade, a number were business school graduates. Are the schools failing to instill ethics, or do students arrive predisposed toward immoral or illegal behavior? Adapting Kohlberg's theory of moral development, a defining issues test (DIT-2) was developed to measure the ethical reasoning of 52 freshmen, while ethical behavior was tested through a trading room simulation. Two dozen of the students had the opportunity to trade on insider information. Results showed that higher scorers on the DIT-2 were less likely to accept and use insider information.

Anthony F. Buono, Donna Fletcher-Brown, Robert Frederick, Gregory J. Hall, and Jahangir Sultan

A Study of the Dysfunctional and Functional Aspects of Voluntary Employee Turnover

Limiting employee turnover is widely accepted as a goal by organizations and by academic researchers because of the explicit and implicit costs associated with it. The assumption is that these costs are negative for the organization. However, a closer look at voluntary turnover and the relationship between it, employee quality, and salary differences suggests alternative conclusions regarding overall utility for organizations. A study of employment records of 49 leavers and replacements at a regional insurance company found pay savings for the company on one hand, but some loss of skills. On a net basis, the experience was slightly dysfunctional, but not significantly so.

Jolivette Wallace and Kristena P. Gaylor

Strategies for Retaining Asian-Pacific Americans in the Technology Sector

Employee turnover is always costly, but especially so when high-performing managers in technology-based companies are concerned. Over and above the financial cost, indirect costs can also be high: loss of intellectual capital (that might flow to a competitor), loss of productivity, and negative effects on other organizational members. This survey focused on Asian-Pacific Americans in Fortune 200 aerospace companies, perceived as an underutilized managerial resource. Results showed that these managers placed the highest value on growth opportunities in their companies, salary and benefits, and strong leadership, and were more likely to "jump ship" when these were perceived as lacking.

Kurt Takamine and Baokim Coleman
Testing the Transformation Hypothesis of Information and Communications Technology

Can use of information and communications technology (ICT) transform an organization, providing clear, bottom-line benefits? And to what extent are the results affected by the intensity of use of such technologies, by particular characteristics of the organization using the technology, and by the type of technology? A 28-question survey conducted via the Internet of companies in four counties just outside the Atlanta SMSA elicited 120 responses. Results suggested that the degree of ICT intensity correlated positively with reduced costs, higher revenues, and new sources of income, but did not correlate with particular organizational characteristics or types of technology.

Greg Laudeman, Mohammad Ahmadi, and Marilyn M. Helms