



**The Tragedy of Reporting
Wrongdoing in the Wrong Way**

THE TRAGEDY OF REPORTING WRONGDOING IN THE WRONG WAY

Act 1, Scene 1: Office of the CEO who was hired externally and has been on the job less than a year. The CEO and the HR Vice President are discussing a situation where one of their managers wrote an anonymous letter reporting dangerous driving, speeding and running red lights by another manager in a company vehicle and then signing a fictitious name and sending it from one of his employee's computer terminals. When confronted by the regional manager and his manager, he lied it was him. The next day he took a letter to his regional manager's home apologizing and admitting it was him. They want to fire him.

CEO: I want to know what is wrong in this company that one of our long term managers didn't feel comfortable reporting a serious matter like this without lying.

HR VP: Well he did try and report it to his manager but his manager told him to forget it. His boss is about to retire and I guess he didn't want to get involved.

CEO: We failed this manager. He was wrong to lie but let's fix what's wrong so that our managers and employees will feel comfortable reporting serious wrongdoing.

HR VP: One of our strategic initiatives is to set up a confidential reporting system but it's a matter of resources to develop the policy, procedures and communications. We just haven't had the resources but we've been thinking about this for three years now. It's in our strategic plan every year now.

CEO: What about the bad driver?

HR VP: Driver admitted to being late and was in a rush- very apologetic. We asked the driver to get us a recent copy of their driving record and it is shocking! A discipline letter is on file and an assignment to remedial driving skills program is taking place. We are implementing a driving records check policy for all people driving our vehicles. We can't have our name on vehicles being driven badly!

Act 5, Scene 1 – It is two years later and the CEO and HR VP are discussing the wrongful dismissal lawsuit the company has just lost for firing the manager who reported the bad driving. The HR VP suggests an appeal of the precedent setting award must be done as this sets a new high water mark for dismissals of this nature.

CEO: I understand that other business organizations and major corporations are asking you to appeal the decision but our board of directors is concerned that we keep getting bad publicity that says we are attacking the whistleblower, not the actual wrong doer.

HR VP: We didn't know that the judge would be so sympathetic to the whistleblower and his many years in the company. The judge justified the lying on the evidence they got in that the manager we fired was working in fear of the regional manager and that he told his manager who did nothing. Judge said the next day the letter should have cleared the matter up if the regional manager wasn't out to get the guy. We disagree and want to appeal that and the horrendous benchmark setting award!

CEO: Remember your idea for me to visit all the staff in all our locations? It was a great idea to help us in our culture change initiative. I am nearly done all the meetings and they work very well except for this issue. The employees feel that we mishandled this. Some say they know of other serious driving incidents that should have been reported including a rumoured drinking and driving situation. Some of

your colleagues on the executive committee are cheering the decision. I am getting angry calls from members of our board of directors!

HR VP: What can I do to help?

CEO: We will need a board decision on the appeal. Write that up looking at the pros and cons. I want this to include an opinion from another law firm – not just the one who handled this case. It seems the only winners here are our bad driver who got off lightly with a driving skills course and a reprimand and the lawyers!

HR VP: The bad driver has to obtain a driving record for us every six months.

CEO: Let's discuss this later. I need to meet with the communications people to figure out what to say to the media who keep calling for a statement. Directors want a public statement from me today. I am in a no-win situation. The issues management team is suggesting we announce that we will be establishing a whistleblower protection policy and a confidential reporting system which prevents tragedies like this ever occurring again. I told the board chairman that you don't have the resources and his warning sounded ominous. Don't ask for more staff – get it done quickly!

HR VP: The focus at the budget meetings is always about head count not strategic priorities and outcomes. We need to look at HR as more than just a cost centre. Until you arrived, HR barely got mentioned in the corporate strategic plan!

CEO: Agreed. I want to start looking at HR priorities and people policies just as carefully as we attend to technology issues and expenditures. We can do what we do in IT. Use external resources to get better leverage on our internal resources. Develop a proposal on this basis.

HR VP: It will be easy to accomplish on this basis as we have done a lot of the background work already.

CEO: Perhaps the only good thing coming out of this incident might be better awareness on the part of the executive and board of directors on the importance of HR as a strategic business partner. Right now the only winners here are the lawyers!