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**APPLICATION OF SYSTEMS THINKING IN EVALUATING THE
EFFICACY OF WHISTLE-BLOWING POLICY IN THE CONTACT
CENTRE DEPARTMENT: ESKOM EASTERN REGION**

by

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Abstract

Workplace corruption is a serious problem in South Africa which threatens to undermine our hard earned democracy. The devastating effects of workplace corruption are immeasurable and can lead to a major downfall of the sound economic development that people of this country have achieved. Awarding of tenders to incompetent and ill-prepared tenderers, recruiting and unfairly appointing unqualified candidates, contravening Health and Safety laws and endangering lives of the public are but few of the examples of corrupt activities that individuals and organizations commit. Disclosure of information about organizational malpractice is known as whistle-blowing.

Individual employees are usually the first ones to know if any wrongdoing is taking place. It is choices that these individuals make which determine whether wrongdoing continues unnoticed or is exposed early enough. Whistle-blowing has been identified as an important tool that can assist organizations to detect internal problems and ultimately stop them before they become an emergency. In an effort to promote a culture of whistle-blowing, South Africa has developed legislation which seeks to address the problem of workplace corruption.

The Protected Disclosures Act (No. 26 of 2000), otherwise known as the 'Whistle-blowers Act' makes provisions in terms of which employees in both the public and private sector who disclose information of corrupt conduct by their employers or fellow employees, are protected from occupational detriment. Eskom has its own whistle-blowing policy which in line with the requirements of the Protected Disclosures Act, seeks to address the problem of corruption within the organization. However, the increasing level of workplace corruption since the adoption of the Whistle-blowing policy seems to be alarming in the Eastern region.

Certain Eskom departments in the Eastern Region, particularly the Contact Center, have lost a significant number of their staff to dismissals as a result of corruption and fraud. This is an indication that Eskom has committed itself as to be a corrupt free organization.

However dismissing corrupt individuals cannot always be the best solution as it often has devastating effects to the organization in the long run. The application of Systems thinking tools, particularly the diagrams has been used in the study in order to uncover the underlying issues resulting to observed symptoms around whistle-blowing. Using a systematic approach this study investigated the views of managerial employees, non managerial employees and trade union leaders with regard to efficacy of the whistle-blowing policy in the Eastern Region.

Managerial employees who were interviewed showed relative lack of understanding of the whistle-blowing policy and implications thereof. Non managerial workers who were interviewed during the course of this study also showed fear and preoccupation about saving their jobs rather than risk losing their careers by being conquerors of corruption.

The findings further showed that organizational culture seems to concentrate mainly on understanding customer needs. This practice indicates that externally generated change takes precedence over proactive internal development. As Eskom is driven by the need to adapt to its ever-changing environment (in order to survive) this reduces the focus on internal developments, that is, creating the environment that is conducive for whistle-blowing to flourish. There does not seem to be effective mechanisms in place that could facilitate the disclosure of organizational misconduct in such a manner that it would benefit both individual (employees) disclosing wrongdoing and Eskom. Unintended consequences of dismissals seem also to be overlooked.

The research concludes by recommending the greater use of the policy. This would entail intervention by top management, vigorous awareness campaigns and demystification of whistle-blowing.

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Abbreviations/Acronyms

CRM	Customer Relationship Management
CSI	Customer Service Index
ELA	Earth Life Africa
ESKOM	Electricity Supply Kommisie
FFSR	Forensic Fraud Service Report
HVL	High Voltage Line
KPI	Key Performance Indicator
LVO	Low Voltage Official
LRA	Labour Relations Act
ODAC	Open Democracy Advice Centre
PBMR	Pebble Bed Modular Reactor
PDA	Protected Disclosures Act
PDE	Principle of Double Effect
PSC	Public Service Commission
NEMA	National Environmental Management Act
RPM	Regional Performance Model

Declaration

Unless otherwise specifically indicated in the text, this research dissertation represents my own original work and has not been submitted for any degree at any other university.

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CHAPTER 1

1.1 Practitioner Identity

This research is important to me because the nature of my work is such that I deal with various Eskom stakeholders on a regular basis and at various levels. As an employee I am aware of Eskom's Whistle-blowing policy in place, but concerned that the majority of employees seem not to enjoy the benefits of the policy. This, to me, indicates that people are either resisting change or they simply do not understand the policy. But to avoid focusing only on one part of Eskom, that is, human aspect, this research aims to adopt a holistic approach with emphasis on workers and the work environment within which they operate. It is against this background that the focus of the research is on how Eskom as the organization manages whistle-blowing.

Also as a union member and an employee representative I have seen a lot of employees being dismissed on a regular basis on account of misconduct related to corruption and fraud. As a Service Agent in the call center environment I am expected to provide a one stop service to everyone who contacts Eskom for whatever reason. The first line of contact that Eskom provides for these role players is the Contact Center, and as the frontline service provider, my duty is to give efficient service at all times. These stakeholders are usually Eskom customers (internal and external), prospective applicants, contractors and subcontractors, the general public, process partners, government departments (correctional services, health, education) commercial banks, non governmental organizations, other parastatals and or multinational enterprises.

These stakeholders phone-in for various reasons, which range from information requests as well as applications, to reporting incidents related to electricity theft, fraud and corruption. Once brought to my attention I must ensure that I live up to the expectations of these stakeholders. Part of the malpractice reports that comes from the stakeholders

directly relates to Eskom internal staff, - that is, my colleagues. Therefore time and again, I am expected to blow the whistle on my colleagues and the reverse is equally true.

Also my department, which has the most number of staff in the Eastern region, has been bedeviled by a number of dismissals relating to corruption and fraud. Almost every year members of the department are dismissed for corruption related misconducts. I have witnessed this as a shop steward and am continually experiencing it as a union member. To ensure transparency and accountability Eskom stakeholders are provided with channels to disclose organization wrongdoing. As part of a risk management strategy a hotline is in place designed to report these and other related malpractices. Whistle blowing in Eskom is therefore regarded as one of the effective tools in the struggle against corruption and fraud. However on informal discussions, most employees cite workplace retaliation as the cause for not 'blowing the whistle' or disclosing wrongdoing by either their superiors or even their colleagues!

1.2 General Problem Context

Whistle-blowing has been introduced as an effective mechanism or tool to fight corruption in the workplace (Business Day; August 2003). In terms of the labour law whistleblowers are guaranteed protection from workplace reprisals arising as a result of blowing the whistle. Despite all this, very few employees are keen or interested in reporting irregularities committed particularly by their superiors (managers and supervisors) in the workplace. There are still signs of reluctance despite the protection guaranteed by the law. This begs a lot of questions about the management of whistle-blowing in Eskom Eastern Region within the Distribution Division.

Modern day organizations have a moral obligation to provide the basis for ethical decision making. Project design decisions also need to incorporate ethical considerations. Failure to adhere to transparency and accountability policies often renders organizations vulnerable to public criticisms and lawsuits which potentially destroys the image of the company. As alluded to earlier, whistle-blowing, as a way of

raising a concern about malpractice within an organization is being turned into a culture within Eskom.

However for some inexplicable reasons employees seem to be divided on the issue of whistle-blowing. Whereas some subscribe to the idea of whistle-blowing others choose to dissociate themselves with this activity. Whistleblowers are then treated with contempt by their co-workers labeling them as ‘impimpi’s – apartheid era informants who betrayed their comrades often with devastating consequences (Camerer, 2001).

Furthermore it is generally not easy to make a disclosure about persons who are high up in authority. Not only does one risk becoming an outcast but there is also a risk of losing a job, being denied opportunities for promotion, getting poor performance ratings, and victimization.

According to Le Roux & Galant (2003), the high rate of unemployment in this country is a situation that will not encourage any employee to risk losing his or her job for the sake of becoming a conqueror of corruption. Corruption is a concern in every sphere of employment and it needs to be managed and dealt with effectively. In an economic survey, conducted by Pricewaterhouse Coopers (PwC) it was found that *more than four out of five local companies suffered fraud in the past two years*. The survey results also showed that 15 percent of the 100 major South African companies surveyed had lost between \$1 million (R6.5 million) and \$10 million since 2003

(www.busrep.co.za/general/print_article.php). As one of the internal detection measures, whistle-blowing needs to be analysed properly in order to ensure that the policy is not adopted only to comply with legislative requirements. This research seeks to critically evaluate Eskom’s Whistle-blowing Policy.

1.3 Specific Problem Manifestation

Corrupt practices manifest themselves in various ways ranging from organization resource wastage, unsafe working conditions resulting to injury or death, unfair awards of contracts, to nepotism in employment, victimization, and contravening environmental laws. There had been instances where employees, without authorisation use company material or assets for their own advantage thereby wasting resources. One of the burning issues in Eskom is the increased fatality rate which occurs as a result of electrocution. People who fall victim to this electrocution are members of the public as well as Eskom employees, particularly those who work with live line. Investigations conducted after each incident often points to human negligence as the main cause for every electrocution-related injury or death. Subjecting people to work under unsafe working conditions is unethical and corrupt conduct.

The procurement process is aimed mainly at Black suppliers. Eskom's policy is to maximize purchases from Black Empowering Enterprises (BEEs), whether Black Women-owned, Small or Large Black suppliers. The purpose is to promote entrepreneurship in Black communities and increasing their access to the mainstream of business opportunity. However due to malpractice by some internal tender committees, awarding of tenders or contracts does not always follow approved Eskom purchasing mechanisms. Contracts are sometimes awarded to contractors who do not fall within any of the Eskom set standards because of corruption. Whistle-blowing as a way of raising a concern about malpractice has been identified as a powerful tool that can help minimize the risk of corruption and fraud mentioned above.

As an employee representative I have dealt with a number of internal labour cases most of which are related to corruption and fraud. Some of these cases often result to dismissals and the external appeals procedure ending up in institutions such as the CCMA, Supreme Courts and Labour Appeals Court. This inevitably becomes a matter

for public debates and members of the public happen to be Eskom customers and stakeholders.

Often when they experience power outages they phone the call center not only to find out about the restoration time but to confirm corruption reports received from the papers and the media and try to unfairly link this with the service rendered by Eskom in order to prove a point. Statements such as 'your organization is corrupt that is why it provides poor customer service' are often uttered by some irate customers. Corruption cases tarnish Eskom's name. That is how far the impact of internal corruption and fraud can go. Corruption related dismissals not only destroy the image of Eskom but it results to brain drain and the costs of dismissal are usually high. As a tool considered effective to fight workplace corruption whistle-blowing should save the organization a lot of harm. However the reverse appears to be true in Eskom Eastern Region. An investigation into the management of whistle-blowing is what informs this research.

As a staff member of the largest department in the Eastern Region where most of employee dismissals have occurred I have had first hand experience of the negative impact this has had on the departmental service level. Also the pressure that the remaining employees have to put up with when they are short-staffed (as a result of corruption related dismissals) is unbearable.

Listening and responding to reports of incidents of electricity cable theft, illegal connections (involving internal staff), Eskom officials accepting bribes and promising 'quick' service to the public, contractors thumb-sucking meter readings from customer's electricity meter-boxes, and many other unethical business practices relating to corruption, fraud, and mal-administration is a day in the life of a Customer Service Agent in the Contact Centre.

There had been incidents in the recent past where my department lost about six workers to constructive dismissals and corruption related dismissals. This happened within a short

space of time. This dark cloud is affecting the Contact Center so much so that there is a perception that other internal departments are despising the call center department. There is a degree of mistrust between management and staff organization-wide. My department has become a place where corporate investigators spend their time investigating colleagues.

1.4 Comprehensive Purpose Statement

The purpose of this study will be to investigate the efficacy of whistle-blowing system in Eskom Distribution in the Eastern Region in Durban, using case study design resulting in cultural picture. At this stage in research whistle-blowing management will be defined generally as the manner in which Eskom Eastern region responds to whistle-blowing reports and how the organization react to barriers that prevent employees and potential whistle-blowers to raise a concern about a malpractice in the workplace.

A tentative definition at this time for whistle-blowing is an employee who raises a concern about organizational wrongdoing by a co-worker or an employer acting in good faith.

CHAPTER 2

Literature Review

2.1 Introduction

Any ordinary citizen who regularly read newspapers, listen to the radio and or watches television news will be aware of the severity of unethical conduct such as fraud, corruption, white collar crime and other forms of dishonesty that this country is faced with. Corruption and fraud is a challenge affecting various sectors of the workplace and is happening on various levels. Judge Hilary Squires once compared corruption as an insidious evil and “a cancer eating away remorselessly at the fabric of corporate privity and extending its baleful effect into all aspects of administrative functions, whether State official or private sector manager” (Pretoria Newspaper: June 9 2005). Corruption is a serious matter which requires strong commitment from all the stakeholders who are concerned about fighting and decreasing occurrences of corrupt activities. Not only does it affect the private sector, but other crucial sectors of the economy such as the educational sector are also hard hit by the scourge of corruption. An example is a professor who was accused of defrauding the university of KwaZulu Natal an amount of R5-million, which appeared in the Sunday Times (2 February 2003).

Such cases leave an impression that, when overlooked, corruption and fraud may have devastating consequences to organizations and institutions. An analysis on Fraud and corruption investigated by KPMG Forensic in South Africa revealed that 91 percent of fraud by employees was repeat crimes and in one out of six cases other employees were aware of what was taking place (Pretoria News Business Report: 22 February 2005). This simply means that malpractice can easily turn into a culture if organizations turn a blind eye rather than creating an environment where wrongdoing can be reported responsibly.

A clear definition of Whistle-blowing itself and the understanding and implementation of the policy should, for me, be the starting point.

2.2 Defining Whistle-blowing

Whistle blowing is defined as ‘the disclosure of illegal, unethical or harmful practices in the workplace to parties who might take action’ (Rostchild & Miethe 1994:254). Authors define whistle blowing in many different ways, and a clear understanding of the concept is imperative especially in Eskom where there is a grave concern to fight workplace corruption so that the organization can begin to enjoy the benefits of an effective risk management system in place.

For Dawson (2000) ‘whistle blowing is the deliberate, voluntary disclosure of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organization that is within its ability to control. The disclosure may be internal or external and may or may not enter the public record’ (Dawson <http://www.uow.edu.au./arts/sts/bmartin/dissent/document/Dawson.html>).

According to Lucy Vickers (2002), ‘whistle blowing’ refers to raising the alarm in public about a wrong being committed in private. She argues that where employees act as whistleblowers, they disclose work related information that can be used to prevent harm or loss to the public. ‘An employee might disclose a safety risk to other employees at work, an environmental or health hazard for members of the public, serious fraud or gross waste of public funds. In each case, the employee can be termed a whistleblower’ (Vickers, L 2002; 42)

Camerer (2001) points out that whistleblowers have unfairly acquired a bad reputation as being disloyal employees. This, she believes, is because of some confusion about the meaning of the term. ‘A major cause of this perception in South Africa is the unfair confusion of whistleblowers with ‘impimpis’ – apartheid era informants who betrayed their comrades often with devastating consequences’ This historical context has allowed

the stigmatization of whistle blowing as an activity to be despised rather than to be encouraged. “Understood correctly, whistle blowing is not about informing in the negative, anonymous sense but rather about raising a concern about malpractice within an organization” (Sangweni, 2005).

Whistle blowing procedure is not universal, that is, procedures differ in accordance with a country’s specific legislative policies. In most cases in the United States of America, for instance, the view has been taken that if wrongdoing is disclosed, then only external disclosure should be protected (Vickers 2002: 95). The rationale is that internal disclosure should not be encouraged as it allows wrongs to be covered up by the employer. Most authors however counter-argue this stance by pointing to the fact that internal whistle blowing can also allow a good employer to put right the wrong reported with the minimum of loss and disruption. Calland (2004), for example, argues that initial investment should be on internal systems and policies to develop whistle-blowing strategy that coheres with other pieces of company’s ethics and good corporate governance jigsaw.

Rossouw and Van Vuuren (2004) also allude to the fact that whistle blowing should be preempted through ethics. Having analyzed different definitions of whistle blowing, they define whistle blowing through focusing more on what authors generally agree on about whistle blowing. For them the first requirement is to get clarity on how this concept should be understood. Drawing on Wilmot’s work, Rossouw and van Vuuren (2004) argues that one element of whistle blowing on which there seems to be general agreement is that whistle blowing refers to the public exposure of the organizational wrongdoing. Dawson (2003) refers to this as ‘malpractice’ within the organization.

This malpractice in general manifests itself through children in care being abused, ships operated in an unsafe manner, hospitals and nursing homes cover up medical incompetence and patient mistreatment, companies defraud governments, public servants deceive ministers and so on (Gobert and Punch cited in Dawson (2003) html).

According to Rossouw and Van Vuuren (2004) organizational wrongdoing includes a wide variety of behaviours, from criminal activity, a contravention of any statute, the improper or unauthorized use of public and other funds, the miscarriage of justice, the abuse of power, maladministration, to endangering the health and safety of any individual, and any other misbehaviour. It then becomes clear that organizational wrongdoing therefore consists of all illegal and/or unethical behaviour.

There seems to be a general agreement among the authors in that to be considered a whistleblower an individual making disclosure of organizational wrongdoing should be an employee or former employee of the organization. A reporter revealing organizational immoral incidents is therefore not considered to be a whistleblower. (Rossouw and Van Vuuren, 2004; 177).

This may account for the perceived lack of interest often shown by Eskom customers and clients in reporting incidents of organizational misbehaviour. That behaviour pattern can easily be spread through to Eskom employees who are also clients or customers of Eskom. If they identify themselves more as customers than employees of Eskom they are unlikely to blow the whistle on organizational wrongdoing even if they have reasonable grounds to raise a concern.

From Camerer's (2001) analysis of whistle-blowing one can conclude that there is a general lack of understanding of the concept of whistle blowing from the individual as well as organizational perspective. This should indicate the need for organizational intervention in terms of promoting awareness, dealing with cultural resistance, assessment of the existing whistle blowing policy and if needs be, developing an alternative approach.

Rossouw and van Vuuren (2004) observe that a broadening of the concept 'whistle blowing' renders it less useful as an analytical tool in understanding the nature of whistle blowing. In particular it makes it difficult to understand the negative responses of

organizations to the reports of whistleblowers, he says. 'Most definitions also emphasize the requirement that the disclosure of the information should be in the public interest.

Whistle blowing becomes a problem if the employer does not perceive the disclosure to be in the public interest or considers it to be a matter of confidentiality or security' (Rossouw and van Vuuren; 177). According to Sangweni (2005) the bravery of being prepared to blow the whistle is directly related to the cultural resistance in many organizations to transparency and accountability.

As a learning organization Eskom has a challenge of influencing socio-cultural change necessary for whistleblowers to become an accepted and respected part of individual responsibility and organizational accountability in the use of power.

2.3 Whistle-blowing Policy and Organizational Wrongdoing

Since February 2001 South Africa has had legislation which protects employees in the public and private sector from occupational detriment, should they disclose wrongdoing (Sangweni 2005: 2). This, according to Camerer (2001) come as a result of realization that one of the key obstacles in the fights against corruption is the fact that, without legal protection, individuals are often too intimidated to speak out or 'blow the whistle' on corrupt activities which they observe in the workplace. The Protected Disclosures Act (or PDA) (No. 26 of 2000), more commonly known as the "Whistle-blowers Act" makes provision for procedures in terms of which employees in both the public and private sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees, are protected from occupational detriment . (eThekweni Online – Protected Act No. 26 of 2000: 11 May 2005).

Whistle-blowing generally is about raising a concern about malpractice within an organization and a key tool for promoting individual responsibility and organizational accountability. (Cape Argus, 15-10-2003 www.iol.co.za) It then follows that the individual who raise a concern by reporting malpractice is referred to as the whistle-blower. The struggle against corruption is complimented by whistle-blowing.

As a parastatal, Eskom is committed to respecting all laws as well as the provisions of the Constitution. (Eskom Ethics Policy, 1999: 7) In March 2003, Eskom passed a directive on whistle-blowing which requires all the employees to report irregularities in the workplace in accordance with the provisions of the PDA. With this policy Eskom has put an organisation-wide strategy which aims at fighting workplace corruption.

Ideally a reduction in corruption and fraud related dismissals as well as a growing number of legitimate disclosures has to be witnessed in an environment where whistle-blowing culture prevails.

According to Sangweni (2005), an effective policy to encourage whistle-blowing enables employers to find out when something is going wrong in time to take necessary corrective action.

Research has however shown that it is often difficult for workers to report wrongdoing committed by their superiors. What often happens is that the reporting of corruption or mal-administration is met by fierce retaliation from management (Alant & Uys, 1999). This situation does not encourage people to break the silence no matter how legitimate their concerns may be. It also makes it easy for those in power to be tempted to engage in unethical conduct, particularly when they know that their subordinates will have a problem reporting them. People who engage in unethical behaviour in the workplace can either be managerial or non managerial employees.

These are some of the many factors posing a challenge on anti-corruption measures that organizations embark on.

It is therefore important for organizations to lay out a clear foundation that will enable every employee (irrespective of their ranks) to report wrongdoing without any fear of any form of retaliation.

It is evident from the information above that corrupt people within the organization are like parasites capable of destroying and reducing the company to bankruptcy. Therefore it is worth the while for companies both large and small to invest heavily on anti-corruption measures. Whistle-blowing then becomes a proactive measure and clearly where it is not promoted an impression of organizational irresponsibility is inevitable. Issues such as the environmental damage will not be accounted for and no one will assume responsibility for public health hazards and poor quality of service.

In 2004 an environmental group Earth Life Africa (ELA) took Eskom to court because they believed issues of safety for the proposed pebble bed modular reactor (PBMR) project had only been discussed at Eskom Board Level with other key stakeholders being excluded from the discussion. ELA believed that all the risks and impacts involving

PBMR project had not been fully disclosed to the public. (ODAC Media www.opendemocracy.org.za). Whistle-blowing affords any person a right to act in the public interest or in the interest of protecting the environment. Section 33 of the National Environmental Management Act (NEMA) allows any person acting in the public interest to institute and conduct a private prosecution (Hamann, R et al 2000: 18).

Customer's needs change rapidly as a result of changes in the environment. Also new movements are formed, for instance, today we have environmental right activists like the Greens and new laws are enacted, hence the PDA "We are exposed to change more than our ancestors could ever dream possible" (Prof Luke, personal communication, Midrand; February 06, 2005). It is in the interest of any organization to ensure that it is abreast with changes otherwise rival competitors who scan the environment for opportunities may use organizational inefficiency to force those who cannot put up with change out of the market. Success can only be ensured through 'identifying all stakeholders and determine their needs and expectations' (Rory Burke, 2003: 44).

Corporate organizations like Eskom have a social responsibility to ensure that their activities are corrupt-free and also best reflect public interest. "If management does not show clear signs of a sense of social and environmental responsibility, it should not be surprised if hostile relations develop that may threaten the survival of the business" (Cronje et al, 2004: 111). By thoroughly dealing with unethical behaviour in the workplace Eskom can easily gain reliability and trust from its stakeholders, especially the customers, and it will therefore be in a better position to respond to their needs. If this premise is adopted then establishing a clearly firm stance on unethical conduct is one way of gaining competitive edge over any opportunist competitors that may emerge.

As an organization which is concerned about fighting corruption in the workplace Eskom has got 34 acts of misconduct in which employees are bound by the conditions of service to know and understand. Eskom's Conditions of Services states that –

An employee shall be guilty of misconduct if he or she:

1. *Contravenes or fails to comply with Eskom's Conditions of Services, agreements with Trade Unions, operating regulations, security measures, procedures, directives and applicable statutory requirements;*
2. *Disregards or willfully fails to carry out lawful order given to him by a person authorized to do so;*
3. *Assaults, attempts or threatens to assault other employees;*
4. *Endangers the safety of fellow employees;*
5. *By word or conduct, renders himself guilty of insubordination;*
6. *Promotes or incites labour unrest;*
7. *Intimidates fellow employees;*
8. *While on duty, conducts himself in an improper or disgraceful manner or at any time behaves in such a manner that he harms the image of Eskom;*
9. *Prohibits or prevents employees from belonging to any Trade Union;*
10. *Victimises other employees;*
11. *Causes racial conflict between employees;*
12. *Operates any scheme aimed at lending money to fellow employees for which interest is charged;*
13. *Without authorization utilizes Eskom's labour, material, transport, equipment and assets to his own advantage or to the advantage of another;*
14. *Is absent from duty without leave;*
15. *Without a valid reason reports late for work;*
16. *Sleeps on duty;*
17. *Is absent from his work post without authorization;*
18. *Is under the influence of intoxicating liquor or drugs while on duty or when reporting for duty;*
19. *Is in unauthorized possession of, or removes or attempts to remove property belonging to Eskom;*
20. *Is in unauthorized possession of, or removes or attempts to remove property belonging to Eskom;*

21. *Is found guilty by a competent court of a criminal offense which directly relates to or arises from his duties;*
22. *Has paid an admission of guilt in respect of a criminal offense which directly relates to or arises from his duties;*
23. *Is found guilty by a competent court, or has paid an admission of guilt in respect of any criminal offense which can breach the trust relationship between Eskom and the employee;*
24. *Discloses information obtained in the course of his duties with Eskom which is personal confidential to Eskom;*
25. *Without the written consent of Eskom, directly or indirectly accepts any benefit or compensation in cash or otherwise resulting from his association, engagement or duties with Eskom;*
26. *Without written consent of Eskom, performs any work in a private capacity for another person or organization, for compensation;*
27. *Willfully or negligently damages Eskom's property;*
28. *Is negligent in the performance of his duties;*
29. *Commits an act or omission which is detrimental to Eskom;*
30. *Makes any false statement or representation which relates to or ensues from his duties;*
31. *Falsifies any documents, claim forms or records which relates to his duties;*
32. *Knowingly gives false evidence during proceedings in terms of the provisions of the procedure;*
33. *Possess a dangerous weapon in the workplace without prior authorization; and*
34. *Commits an act of sexual harassment.*

[Source: Eskom Intranet]

Eskom has embraced whistle-blowing as a tool that will ensure individual responsibility and organizational accountability. This came after the passing of the Protected Disclosures Act No 26 of 2000 by the national government which seeks to protect those who raise a concern about organizational wrongdoing. These are all efforts which show a strong organizational commitment to curb corruption.

2.4 Types of Unethical Behaviour or Organizational Wrongdoing

According to the Forensic Fraud Survey (2004) the types of unethical behaviour are listed as follows:

- Unauthorized personal use of corporate assets or equipments
- Falsely claiming sick leave or absenteeism
- Unauthorized disclosure of confidential or sensitive information
- Sexual harassment of an employee of the organization
- Running a private business during working hours
- Management employee's conflict of interest (e.g. awarding contract or diverting sales to a company in which an employee holds a personal interest)
- Using a personal credit card to derive an unwarranted advantage (e.g. using a credit card to pay major corporate expenses to generate frequent flyer points for the card holder)
- Lavish gifts received by an officer or employee of your organization which are not brought to the attention of management
- Intentionally falsifying the organization's records (without personal gain)
- Favouratism in the awarding of contracts
- Lavish gifts at the expense of your organization to parties external to your organization
- Unjustified reprisals against an employee of reporting suspicions of unethical or inappropriate conduct
- Inappropriate use of internet or email
- Bullying
- Reckless or deliberate environmental damage

Organizations that lack measures to effectively manage problems of unethical conduct have a serious problem. Those that succeed earn a good reputation and trust from its stakeholders. A good reputation is an invaluable asset because it offers reliability, credibility, and quality. This inspires trust from business partners and customers and

persuades them to enter into long-term commitments (Rossouw and Van Vuuren 2005: pp 21). A Whistle-blowing policy has to make it clear to management and workers alike that it is both safe and acceptable for workers and management to raise concerns about wrongdoing (Sangweni 2005: 17).

“The well known cases of Enron and WorldCom, and, in South Africa, Beige Holdings and Leisure Net, show that companies that fail to heed the message of a whistleblower may well implode” (Richard Calland, 2004). That is why it is so crucial that Eskom interventions should focus on ensuring that the policy is clear and adhered to. This should be done in order to embrace whistle blowing not only as a legislative requirement but as a culture that will enable every Eskom stakeholder to become a potential whistleblower. If Human Resource records and Trade Union observations reveals that employees are continuously dismissed on charges of corruption, despite the Whistle-blowing policy in place, then an alternative way needs to be sought.

2.5 Why is Whistle blowing important?

According to Ernst & Young, Fraud Forensic Service Report (FFSR) (2004), organizations lose on average 6% of turnover to fraud every year. This is echoed by Adolph Landman (2001) who argues that crime and corruption are rife in South Africa. For Landman (2001) it comes as no surprise that a parliament has enacted a law, the Public Disclosures Act 26 of 2000, to address this problem in both the public and the private sector.

The FFSR(2004) further shows that 40 percent of all frauds were prevented and or detected by either internal or external whistleblowers and that the mechanism was regarded as the second most effective detection tool. *Employees are usually the first to know of wrongdoing within their organization, yet they are often too intimidated to blow the whistle on the corrupt and unlawful activities they observe.* (2003, October 15). Cape Argus, p. 1.

“Corruption and fraud are one of the most insidious of offences. It is a vain and ignorant person who believes their organization is unaffected by it,” Tommy Prins, formerly of the Scorpions and now with Deloitte cited in *The Star*: July 30, 2004. Since corruption is an existing problem an organizational commitment to finding alternative ways fighting it is warranted.

Corruption is seen as a serious societal problem which threatens to undermine democratic as well as development initiatives particularly in the developing countries. South Africa’s transition to democratic rule has been characterized by high levels of crime including wide spread corruption (Sangweni 2005). Employment relations reflect the social stratification. In other words the behavioural pattern of all the parties to the employment relationship (e.g. employers, employees and their representatives) is largely influenced by their social values and norms.

If the culture of a society is characterized by immoral values, unethical work behaviour will manifest itself in the workplace. That is why the application of systems thinking is crucial in terms of exploring a series of things that may prevent a good policy to produce desired outcome. The approach will take into consideration all the interrelated components amounting to Eskom’s whistle-blowing problem this research seeks to address.

The manner in which corruption in the workplace has become a common feature of our everyday life in this country is such that a huge percentage of contemporary media reports are largely on corruption. What is more alarming is to learn that even some of the institutions which are supposed to be providing legal framework to minimize and or discourage this scourge are reported to be corrupt. These are government institutions at local, provincial and even national level. In 2003 a report by the Public Service Commission (PSC) revealed that financial misconduct by state officials is hitting the government hard with a reported R4 176 757, 20 lost through fraud and theft. The cost to the state from misconduct at the department of labour alone amounted to R1 355 100, 13 PSC’s report stated. In terms of the report the department of defense appeared to have

most problems with the department of labour becoming the second highest. The department of home affairs came in third (Cape Times 07-10- 2003).

At the time of writing this research paper, the former Deputy President of South Africa has been 'relieved of his duties' and is being investigated on charges of corruption and fraud. (Sunday Tribune: 10-07 -2005) Other prominent public figures such as the ruling party's former Chief Whip were dismissed from the parliament after being found by the court of law guilty of corruption. This speaks volumes about the level of corruption and the challenges faced by corporate organizations of this country. It is also indicative of the fact that the societal role is crucial in the fight against workplace corruption. A mere reliance on policy adoption may not necessarily resolve the problem of corruption if stakeholders were not involved prior to and during the process of implementation.

A survey conducted by the Institute for Security Studies confirms the importance attached to whistle blowing as an effective tool in the fight against corruption. "An expert panel of people who attended anti-corruption conferences were asked to rank the effectiveness of 30 different anti-corruption controls and 'legal protection for whistleblowers' was placed in the 4th highest position, scoring 62.5% and regarded as 'very effective' [Camerer: 2001]

This gives a clear indication of the importance of whistle blowing as an early warning system to avert possible risks to the organization. According to Vickers (2002), whistle blowing is particularly relevant at work because employees are often the first to know about any wrongdoing. Depending on the culture of the organization, employees may either raise a concern, (by reporting irregularity) or they may choose to remain silent. The onus is on the organization to acknowledge that corruption and fraud is a problem. An effective policy to encourage whistle blowing is therefore imperative as it will enable employers to find out when something is going wrong in time and to take the necessary corrective action.

Most studies on corruption point out that a positive whistle blowing culture is a critical element in the success of any risk management system. By promoting better risk management, it can also help to prevent the need for more regulation and intervention by regulators and legislators. It then follows that an organization that positively encourages whistle blowing stands a far better chance of demonstrating that it is properly run and managed. The existence of a working whistle blowing can be pivotal in legal proceedings. (Sangweni; 2005)

2.6 What are the obstacles to whistle-blowing?

While employees are usually the first to know of wrongdoing, many will feel they stand to lose most by breaking the silence. Those who genuinely suspect that something may be going seriously wrong in the workplace usually face an acute dilemma. Chair of the Public Service Commission, Professor Stan Sangweni points out that the fear of being labeled a sneak, a troublemaker, the fear of breaking ranks and appear disloyal to colleagues, and the fear of being required to provide irrefutable evidence are powerful disincentives to speaking up.

The distinction is not always drawn between those who irresponsibly seek to betray trust and those who act often irrespective of their own immediate interests – to protect others and the interests of their employers. That is why difference between protected and unprotected disclosures should be clearly spelled out in any whistle-blowing policy adopted. A good policy encourages and protects responsible whistle blowing. Media reports, which focus on whistleblowers who find themselves out of a job or career fuel these fears. In such circumstances, it is not surprising that most employees who find themselves in this position speak only to friends or family rather than their employer, the person best able to look into the issue.

The result of this communication breakdown is that the employer loses a valuable opportunity to prevent what might become a damaging crisis or to reassure employees that their concerns are mistaken, and also loses access to a valuable pool of information.

The widely held assumption that a concern is no different from a grievance suggests that the employee should pursue the concern through an adversarial procedure. Potential whistleblowers need to know the difference. This can give an impression that it is for an employee to prove that the department is being defrauded, or that a safety hazard is present.

The inclusion of all embracing confidentiality clauses in contracts can be misinterpreted as a message that employees should keep quiet, both in and outside the workplace (Sangweni: 2005) Rigid line management, without a whistle-blowing system, risks giving middle management a monopolistic control over the information that reaches those in charge. Through open communication and training, organizations can educate their managers and subordinates of the dangers that rigid structures may pose in encouraging whistle-blowing. Like any monopoly, this control can offer real temptations to the incompetent and the corrupt.

Properly understood and applied, a whistle blowing policy will help particularly employers break this cycle of silence and inaction and prevent corruption in the workplace. (Sangweni; 2005).

Sometimes organizational misunderstanding of the importance of whistle blowing may prevent Eskom from adopting internal policies that promotes whistle blowing. The organization may be aware of the unintended consequences of its own actions (such as providing free basic electricity to the society and pay less attention on the public safety awareness campaigns despite the increase of electricity-related fatalities) but deliberately choose to ignore them by overemphasizing their intended objectives.

Such practice is described as the classical Principle of Double Effect (PDE) (Lene Bomann-Larsen & Oddny Wiggen 2004). The classical PDE, states that side-effect harm is permissible in so far as (1) the needs persuaded by an agent and the means chosen are in themselves good or morally indifferent, (2) the side-effects are not part of the actors' ends or used as means to achieve he intended ends; (3) the intended good is proportional

to or outweighs the side-effect harm; and (4) the side effects are inescapable if the good is to be achieved.

Most seemingly monopolistic organizations and or para-statal like Eskom may be tempted to adopt this conviction of the classical principle of double effect. However as it will be seen later, Bomann-Larsen and Wiggen (2004) challenges corporate organizations who draw on PDE by arguing strongly for the reasons to manage harmful side effects of corporate activities.

Monopolies by their nature are vulnerable to attacks on ethical consideration mainly from their stakeholders and it is often difficult to verify the authenticity of such attacks. 'One of the obvious reasons for this difficulty is the lack of competitors through which the activities of a monopoly industry can be benchmarked against'. (S. Ngcobo, Social Responsibility Manager- Mondi Paper, personal communication, May 3, 2005). In such cases internal measures to reach out to the stakeholders needs to be explored and reviewed if the need arise.

Eskom's customer services measure known as Customer Service Index (CSI) is made up of 55% of independent external customer perception measures and 45% internal measures (Eskom News April-May 2005). This measure gives our stakeholders a say in rating us on the services that we provide thus determining our performance bonuses. If corruption is evident in our dealings with the public, clearly our CSI will drop dramatically and this means a lot particularly when it comes to regional performance measures.

It is for this reason that organizations need to come up with transparent measures that will afford stakeholders, particularly the customers enough participation in corporate activities. A clear whistle blowing policy which is carefully explained with regional adherence effectively monitored can achieve that end while at the same time serving to dispel any suspicions of potential malpractice.

Furthermore factors which create barriers to potential whistleblowers need to be carefully understood and analyzed. If well understood, the role of PDA or “whistle-blowers’ Act should be applied effectively in order to serve its purpose. One cannot underestimate the impact of our political past especially when trying to address the issue of people’s attitudes on whistle blowing. There appear to be more questions than answers and I want to believe the reverse should be true.

2.7 The role of the Whistle-blowers Act

The Protected Disclosures Act No 26 of 2000, more commonly known as the Whistleblowers Act makes provision for procedures in terms of which employees in both the public and private sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees, are protected from occupational detriment. The preamble of the Act provides for

Recognising that –

- *the-Bill of Rights in the Constitution of the Republic of South Africa, 1996, enshrines the rights of all people in the Republic and affirms the democratic values of human dignity, equality and freedom;*
- *section 8 of the Bill of Rights provides for the horizontal application of the rights in the Bill of Rights, taking into account the nature of the right and the nature of any duty imposed by the right;*
- *criminal and other irregular conduct in organs of state and private bodies are detrimental to good, effective, accountable and transparent governance in organs of state and open and good corporate governance in private bodies and can endanger the economic stability of the Republic and have the potential to cause social damage*

And bearing in mind that-

- *neither the South African common law nor statutory law makes provision for mechanisms or procedures in terms of which employees may, without fear of reprisals, disclose information relating to suspected or alleged criminal or other irregular conduct by their employers, whether in private or the public sector;*
- *every employer and employee has a responsibility to disclose criminal and any other irregular conduct in the workplace;*

- *every employer and has a responsibility to take all necessary steps to ensure that employees who disclose such information are protected from any reprisals as a result of such disclosure;*

And in order to-

- *create a culture which will facilitate the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner by providing comprehensive statutory guidelines for the disclosure of such information and protection against any reprisals as a result of such disclosures;*
- *promote the eradication of criminal and other irregular conduct in organs of State and private bodies;*

[Extract from the Government Gazette: 7 August 2000].

Central to the achievement of the objectives of the Act is a clear understanding and proper application of its procedures. Most literature on the topic points that stigmatization of whistle blowers is partly informed by lack of understanding of the PDA and its objectives. If properly understood employees and employers in the workplace will always uphold the responsibility to disclose criminal and irregular conduct, a responsibility which is inherent in their employment contracts. It stands to reason that, by remaining silent about corruption, or other malpractices taking place in the workplace, an employee necessarily contributes to, and becomes part of, a culture of fostering such improprieties which, will undermine his own career as well as be detrimental to the legitimate interests of the South African society in general

This Act is an important step in our democracy providing for a more open and trusting work environment, the environment where stakeholders will feel confident to raise concerns in good faith without fear of any form of retaliation. It is particularly important for Eskom as a business because it bears testimony to the view that “Eskom keep(s) abreast of the latest developments in legislation and continually assess the impact of

legislation on its business. Eskom's policy is, as a minimum, to comply with legislation and legislative requirements are incorporated into policies, procedures and standards." (ESKOM NEWS 2005).

In order to make a disclosure and remain protected an employee who decides to blow the whistle on criminal conduct or malpractice in the workplace, may do so by making use of the routes provided for in the Act. An employee can disclose information to

- a legal representative
- the employer
- a minister or provincial member of the Executive Council
- a specified person or body; or
- as a general disclosure

Each of these procedures above has certain requirements that need to be complied with. These requirements become more and more comprehensive as one moves a disclosure made to a legal representative to a disclosure made to any other person. Only a few requirements are applicable in respect of a disclosure given to a legal representative. The most requirements apply in respect of making a general disclosure.

Protected disclosure to a Legal representative

A disclosure can be made to a person (legal representative) whose occupation must involve giving of legal advice. The information must be given for the purpose of obtaining legal advice. In many instances an employee will first wish to obtain legal advice regarding the making of the disclosure in terms of the Act and, in this process, make a disclosure to the legal adviser concerned.

Protected disclosure to the Employer

The Act provides that an employee can, in good faith, make a disclosure to his or her employer. An employer may decide to lay down certain procedures in terms of which

disclosures must be made which may include that a disclosure must be made to a person other than the employer. For the purpose of the Act, however, such a disclosure will also be regarded as a disclosure to the employer.

Protected disclosure to the Minister or MEC of a province

The employee must act in good faith when making a disclosure to a Minister or an MEC of a province.

This procedure only applies if the employer is-

- an individual appointed by that Minister or MEC in terms of legislation; or
- a body appointed by that Minister or MEC in terms of legislation; or
- an organ of state falling within the area of responsibility of that Minister or MEC

Protected disclosure to a Specified person or body

The employee must act in good faith when making a disclosure to a person or body specified in terms of the Act. The information and allegations contained therein must be substantially true. The Act provides that a disclosure may be made to the Public Protector or Auditor-General and that the disclosure should be related to matters which in the ordinary course are dealt with by the Public Protector or Auditor-General.

The Public Protector is a high level official who is independent of government and any political party. Receiving complaints against government agencies or officials, the Public Protector can investigate improper prejudice suffered by a complainant for example, as a result of abuse of power. Maladministration, dishonesty or improper advantages can also be investigated. The Public Protector can also recommend corrective action and issue reports in addition to the power to investigate certain matters

General Disclosure

The employee must act in good faith when making a disclosure to any other person. In making the disclosure the employee must reasonably believe that the information is true.

One or more of the following should apply:

- the employee must believe that he or she will be subjected to an occupational detriment if the disclosure is made to the employer; or
- the employee must believe that the employer will conceal or destroy evidence relating to the criminal offence or malpractice if the disclosure is made to the employer; or
- no action was taken in respect of a previous disclosure to the employer; or
- the criminal offence or malpractice is of an exceptionally serious nature.

2.8 What is Eskom's Stance on Whistle blowing ?

Eskom has a directive on whistle blowing adopted in March 2003 the aim of which is protecting disclosures of crime and irregularities in the workplace. This directive requires that all employees are to report crimes and irregularities at the workplace in good faith and in a proper manner, and in so doing be protected against occupational detriment in accordance with the provisions of the Protected Disclosures Act of 2000. This directive is applicable to Eskom and its subsidiaries.

According to Eskom, whistle blowing, or disclosure refers to the disclosure of information regarding the conduct of an employee or an employer relating to the following:

- Criminal conduct
- Failure to comply with a legal obligation
- Miscarriage of justice

- Endangerment of health or safety of an individual
- Environmental damage
- Unfair discrimination in terms of Employment Equity Act
- Concealment of any of the above

A disclosure is protected if it meets the provisions as laid down in the PDA. It is conspicuous that Eskom has a whistle blowing policy which is in line with the legislation's PDA. This finding now broadens the focus from concentrating on policy implementation of whistle blowing to determining departmental adherence to the policy, the extent of application, both the individual and regional resistance and more importantly the overall evaluation of whistle blowing policy in Eskom. The focus will be narrowed down to a particular department in the Eastern Region. The rationale behind this enquiry is the increased level of corruption reports in the Eastern Region despite the existence of a whistle blowing policy in place.

According to Swanepoel et al (1998), resistance to change especially on the part of the employees could signal that there may be two problems. The first of these could be the proposal for change or transformation itself. Secondly, the problem could lie with mistakes made in the presentation of the proposal. The same holds true with the whistle blowing policy adopted by Eskom. If resistance is found to be the issue, then a need to evaluate existing whistle blowing strategies and becoming flexible enough to appropriately overcome resistance should be considered. This calls for effective change management process.

2.8.1 Is corruption a serious problem in Eskom?

Illegal electricity connections form part of common reports that Eskom occasionally receives through the medium of a contact center. As a business committed to ethics and social responsibility, Eskom has a moral obligation to educate all its stakeholders on electricity safety regulations. Illegal connections pose a health hazard particularly to the innocent and the children. It is also a cause for poor quality of supply that is reported by the stakeholders. It endangers everybody's lives including those who commit such acts.

Most people who engage in such activities are individuals with some technical knowledge of electricity some of which is acquired through involvement with Eskom either as suppliers, dealers, Eskom employees, former employees, contractors and or subcontractors who have some background knowledge of electricity. "In the year 1999 fraud survey of Southern Africa, KPMG found that 75% cases of fraud were perpetrated by company's own employees. In 48% of these cases, there was collusion between the internal fraudster and a third party. In a 2002 survey this figure increased to 88% of employees being the major source of fraud. (KPMG Fraud Report: 2002).

Call center service agents receive reports occasionally from Eskom customers reporting electricity theft such as tampering with electricity meter-boxes, stealing electricity cables, and self reconnections. More often than not, Eskom officials become implicated either directly or indirectly in that malpractice. The indirect way of engaging in that activity can take the form of intentionally providing privileged information on how to bypass electricity thus inducing them to form a scheme that offers to provide 'quicker and cheaper' ways of addressing electrification problems. Direct involvement occurs when field services staff, particularly those who are working as the Low Voltage Officials (LVO's) illegally solicit money from Eskom customers in return for a service.

Such reports are commonly received from customers mainly in the rural areas who use the pre-paid electricity system. They are vulnerable to abuse by corrupt Eskom officials

who often demand that they pay cash directly to them before they can provide Eskom service. That is not the way Eskom conducts its business.

Our internal report systems are designed to accommodate reports of such malpractices which are captured under electricity theft report. It will then be sent to Revenue Protection Services and trigger an investigation. The customer is then offered a reference number. Some lose that number and hardly ever make follow ups. Others lose interest because of either perceived lack of feedback on reported incidents or other personal reasons. When investigation is conducted at times it will be discovered that the report was a hoax/prank call or the reporter was trying to level the score. This is sometimes used by internal staff as a scapegoat for not thoroughly following up a report to the end. As the contact center service agents we are normally the first people to be alerted with this information. Therefore empowerment of support staff in this whole drive of fighting corruption (particularly when it comes to policy development and implementation) can save Eskom a lot of money while fostering individual responsibility.

2.8.2 Case Study

The case on the newspaper article, (Sunday Tribune 2005) bears witness to what is advocated above. It reads as follows.. ‘An alleged scam involving the sale of more than R6m. in fraudulently acquired electricity over 18 months came to light in the Pietermaritzburg High Court this week.

Hamilton Thembinkosi Zwane, of Ashdown, Pietermaritzburg, was arrested and charged with fraud involving more than this amount. He was initially denied bail but has since been released on R10 000.00 Investigating officer, Inspector Quinton van den Hoogen, who gave evidence during the initial application which denied bail, said Zwane was involved in selling Eskom vouchers at half the price-after obtaining an electricity card dispensing machine. It is alleged that from 2003 until February 2005, just over R6 million was netted from one machine.

Police believe many other illegal machines were still in used in Pinetown and Pietermaritzburg. Van den Hoogen, attached to the Organized Crime Unit, said card dispensing units had been stolen from Eskom. “They are known to Eskom as ghost validators”. These machines were then used to print false vouchers (which were) sold to customers.

Van den Hoogen said the cards were sold at half price. The fraud was part of a big syndicate operation, he said. Several people involved had been arrested or ‘put away’ after they had decided to become witness. He said syndicate members generally approached shop owners who had legal electricity machines to bring in ghost machines. The ghost machines were then installed in a back room and vouchers were sold. “Legal customers were just rerouted and told you can get double your money’s worth” Van den Hoogen said one machine had been analyzed and a print out obtained. False vouchers to the amount of R6 098 812.74 had been dispensed from it.

A shop-owner Mr. Sithole, who had been operating a ghost machine, had been arrested and had supplied information about an operation involving a Norman Zuma, van Hoogen said. Sithole was later found murdered. "Sithole made a statement implicating Zuma as the owner and the person who collected the money from that machine. Then two days after Zuma got bail, Sithole died"

It is stories like these which are often found on media reports making headlines and they have a detrimental effect on the image of Eskom. Members of the public that we're trying to serve draw their conclusions about our way of doing things from incidents like these. The case above involving Norman Zuma goes deeper than a newspaper report. Norman is a former Eskom employee, at the time of committing his crime he was still within the employ of Eskom. Coincidentally I sat as an interpreter during his investigation hearing which was internally conducted by Eskom. He was a former Eskom employee and a senior vending agent in the Vending department. He had all the expertise required to qualify as a field worker. He used knowledge gained through being an Eskom employee to destroy Eskom. He was found guilty and was eventually dismissed.

The outcome of this case leads to multiple conclusions around the issue of whistle-blowing. On the one hand had there been a clear understanding of whistle-blowing the problem would have been identified earlier before it can cost Eskom so much of money, time and publicity. On the other hand, Norman Zuma himself would not have been tempted to engage in this unethical behaviour if the existing whistle-blowing policy was effective in terms of instilling a culture of blowing the whistle in Eskom. He probably would not have had the opportunity to learn this unethical conduct. However these are arguable conclusions which are not cast in stone. But what is more important at this stage is the fact that incidents of corruption continues to mount despite the full operation of the Whistle-blowing policy.

Subsequent to the incident (on the case study above) there are a number of other employees who were dismissed on charges related to corruption and fraud, some of whom were my co-workers. By showing non tolerance to unethical behaviour Eskom is

sending a strong message and a commitment to build a corrupt free workplace. However dismissal sanctions need to be exercised with caution as this may lead to a loss of valuable resources which could be costly and devastating to the organization.

In modern employment law, the purpose of the disciplinary sanctions needs to be administered in a more corrective than punitive manner. The Code of Good Practice: Dismissal endorses the concept of corrective progressive discipline. “The Code enjoins employers to seek to correct employees’ behaviour by a system of graduated disciplinary measures such as counseling and warnings rather than to ‘fire them from the hip’ as it were” (Grogan, J. 2001). A well managed whistle-blowing policy can effectively serve this purpose.

2.9 Conclusion

Corruption is a problem that affects everyone in South Africa regardless of their employment status. The high rate of unemployment impacts negatively particularly to the taxpayers because of the increased government taxes which seek to bridge the economic gap created by unemployment. Organizational reaction to corrupt people in the workplace is not the same. Some organizations resort to punitive measures, others try to cover up the wrongdoing in a misguided attempt to protect their image while others simply try to ignore it by shooting the messenger.

This often creates no room for the disclosure of wrongdoing and whistle-blowing will therefore be despised. There are quite a number of factors contributing to various ways of organizational reaction to whistle-blowing and corruption. Organizational ignorance, individual greed, societal values and a poor justice system are some of the reasons that people cite as the motive behind different reactions to whistle-blowing.

Whistle-blowing as a way of addressing workplace corruption in South Africa is fairly new. It is not surprising that reputable organizations such as Eskom have just recently adopted a whistle-blowing policy in March 2003. The legislation itself was passed in February 2001 in South Africa. It would be safe to conclude that many organizations have just been exposed to whistle-blowing. However our South African organizations are competing at global level. We need to have policies that attract foreign investment and Sangweni (2005) argues that South Africa has the most far-reaching, state of the art, whistle-blowing legislation in the world.

The general expectation is that the Whistle-blowing Act must by now be understood particularly by our organizations and be effectively applied, lest we are swallowed by global competition. Our high rate of unemployment dictates that we learn as fast as we possibly can, if economic sustainability is to be achieved.

Factors that contribute to perceived individual resistance to embrace whistle-blowing cannot be overlooked. These include, among other things, individual perspectives as well

as worldviews. As Camerer (2001) alluded earlier, South African political history created a particular social value resulting to a significant majority of individuals finding themselves trapped into their own way of thinking.

For example, during the apartheid era informers were regarded as traitors because they were deployed by the then government as spies. Some societies (particularly those that were at the receiving end of apartheid) reacted harshly to these spies because they were seen as a threat to the liberation movements that the society had formed. To date, most people still do not like to be associated with informers and to them it is socially unacceptable to inform. The challenge for organizations is to empower people to understand that whistle-blowing is not about informing in a negative sense.

It is evident that Eskom has adopted a policy on whistle-blowing which is in line with the requirements of the Protected Disclosures Act. However what is disturbing is the increasing number of incidents of corruption and wrongdoing that are formally or informally reported and those that are not reported at all. For example, there is a regional campaign conducted by senior executive management on promoting employee adherence to Health and Safety standards, the irony is that internal fatality incidents (as a result of failing to comply with set standards) is gaining momentum.

This begs more questions than answers. Do people deliberately refuse to take heed of the senior management safety plea? Or is it that human beings are naturally resistant to change? An organization may have world class systems to provide a service but if it does not achieve set targets then an intervention into the functioning of that particular system is imperative.

Perhaps the focus should not only be on policy adoption but on how best workers and management can be involved in the development and hence policy implementation. "It is important that managers and employees contribute to the development of the business plan [or policy] to establish "ownership" of the plan among them." (Cronje, et al 2004: 71). Employees need to be better motivated not only to improve organizational

effectiveness, but also to provide a better quality of life for all employees.

“Employment and participation are two important methods of enhancing employee motivation. Empowerment is the process of enabling employees to set their own goals, make decisions, and solve problems within their sphere of responsibility and authority. Participation is the process of giving employees a voice in making decisions about their own work” (Cronje, et al; 2005 pp 232).

If employees are still reluctant to become whistle-blowers despite protective measures in place, as is currently the case at Eskom, then an intervention is needed. Eskom has to be flexible enough to be able to review its current policies, redefine and maybe even breaking them down into more simple terms.

Improved communication strategy is central to creating a paradigm shift in people’s way of thinking and to convey the message across. Good communication is conducive to good relations (Cronje, et al, 2004).

It may be easy for management in the workplace to conclude that people resist change. In reality it is not change but the imposition of change that people resist (Lindy Broadbent July 06, 2005 class discussion). Intensive training and employee development around whistle-blowing can empower workers and managers to develop an understanding on how to disclose the information in a responsible manner for the long term benefit of the organization. In that way proactive empowerment of the individuals will take precedent over reactively dismissing the corrupt long after the damage is done.

The review of literature proves that when understood correctly, whistle-blowing has positive consequences for the organization because it provides the possibility that organizational wrongdoing can be exposed and dealt with internally. A special enquiry needs to be conducted to establish management -employee understanding of whistle-blowing in the Eastern region in order to determine how best Whistle-blowing policy can be utilized at Eskom.

CHAPTER 3

Introduction

3.1 Title of the Study

The title of the research project is: **The application of systems thinking to understand how whistle-blowing is managed in Eskom Distribution in the Eastern Region: An evaluation of the Whistle-blowing policy.**

The focus of the study is on the application of systems thinking in an attempt to uncover the root causes of employees' reluctance to blow the whistle on corruption or malpractice. This will be studied within the context of Eskom Distribution in the Eastern Region. The topic emerged through the process of group discussions and personal observations. Very little research has been done on the issue of Whistle-blowing in this country. For example, there are only three well known cases of whistle-blowing in South Africa (Business Day, 16 September 2004). These according to Calland (2004) are the cases of Tatolo Setlai, Jakes Jacobs and Glen Chase. The legislation, that is, Protected Disclosures Act only came into effect in February 2001 and Eskom only adopted its Whistle-blowing Policy in March 2003. The review of literature has been supplemented by media reports. However few books that were obtained have been extensively utilized in order to validate biases that may be possible on media reports.

3.2 Statement of the Problem

It is important to note that the attention and focus today is on stimulating social responsibility, environmental sustainability, transparency and good business ethics in South Africa. Organizations are obliged to comply with social, governmental and ethical policies that will ensure that whatever business they undertake and projects they initiate are ethical and free of corruption. Several initiatives to devise anti-corruption strategies and promote accountability have been undertaken by Eskom.

Corrupt practices manifest themselves in different ways, ranging from resource wastage, unsafe working conditions resulting to injury or death, unfairly awarding of tenders, bribes, violating environmental laws, negligence, victimization and many more.

Whistle-blowing as a way of raising a concern about malpractice within an organization is being turned into a culture within Eskom. However for some reason employees seem to be divided on the issue of whistle-blowing. Whereas others fully engage in the whistle-blowing activity, others do not even want to be associated with whistleblowers, calling them names and treating them with contempt. Such division seriously undermines Eskom's initiatives of creating a corrupt-free environment.

In South Africa the Protected Disclosures Act (no 26 of 2000) otherwise known as the "Whistle-blowers act" makes provision for procedures in terms of which employees in both the public and private sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees are protected from occupational detriment (Camerer, 2001 pp 2). As a public utility Eskom has adopted a Whistle-blowing Policy which is aligned to the Protected Disclosures Act. Despite all of this, whistle-blowing in the Eastern Region is frowned upon and the organization suffers at the end of the day. This calls for an evaluation of the Policy and its implications

Informal discussions which I have had with Eskom individuals both managerial and non-managerial employees reveals that people have different perspectives on the issue of whistle-blowing, thus perceive whistle-blowers differently. Some do not know of any Whistle-blowing Act that Eskom has. I have concluded that these different viewpoints are either informed by the positions each person hold within an organization, their social background, level of education, and even the values each individual has. It seems important to me that everyone needs to have a clear understanding of whistle blowing so that it can be unconditionally embraced by all Eskom stakeholders because it is for a good cause.

Everyone in the organization and even outside is affected by corruption. Since it is an issue that involves more people it is important to note that there is a series of interconnected parts in which an oversight in any may amount to the destruction of the whole. It would therefore be imperative to analyze each part in relation to the other as they each contribute to the overall purpose.

In other words I think the research will be narrow if it focuses on a single specific part of the organization with an aim of understanding and evaluating the effectiveness of the Whistle-blowing Policy. The research paper will therefore avoid a reductionist view and adopt a more holistic approach in the overall analyses. A holistic approach will look at various organizational levels, departments as well as the environment within which the organization exist so as to unpack any underlying issues contributing to the perceived slow functioning of whistleblowers' policy

3.3 Purpose of the Study

The purpose of the study is to evaluate the efficacy of the Whistle-blowing Policy in the Eastern Region

This will be achieved through the application of systems thinking, tools and approaches in a complex environment. This will hope to gain more insight into the dynamics of whistle-blowing.

3.4 Definitions of Terms

Whistle-blowing – [a] Bringing an activity to a sharp conclusion as if by the blast of a whistle (Oxford English Dictionary); [b] Exposing a malpractice or cover-up in a business or government office (US, Brewer Dictionary); [c] Raising a concern about malpractice, wrongdoing within an organization or through an independent structure associated with it (UK Committee on Standards in Public Life)

Systems' thinking is one of the concepts that is utilised in the course of this study. Professor Chapman (1993) describes systems thinking as an intellectual approach to

issues that can range across the whole of human experience and this means that it is useful for tackling issues that are embedded in complexity created by human activity.

(T205 Webzone Supplement: Systems Thinking; Principles and Practice)

The main concept groups and systems terms that appears important to my mess includes stakeholder participation, leadership, paradigm shift, organizational culture, reductionism, organizational environment, unintended consequences, social responsibility and decision making.

Why are the concept groups mentioned above important in this evaluation? Stakeholder participation will be crucial during the conceptualization, design, and implementation stage of the policy. Stakeholders need to be involved during the drafting of the policy in order to ensure that the ‘buy in’ is achieved from all the parties.

Leadership is equally important in ensuring that participative management structures such as workplace forums are effective. Leaders are individuals who are expected to lay a foundation through which whistle-blowing can be jointly and severally explored.

Through reacting fairly and consistently to malpractice, leaders may have an influential role to play in promoting whistle-blowing. By dismissing senior executive members of the parliament, South African President sent a strong message to the South Africans at large that wrongdoing, by any person, should not be tolerated. In the 21st century leaders are having to speak a new language, create fluid organic structures, and recognize organizations as systems with self renewing capacity (April, McDonald and Vriesendorp; 2003). “Leadership is needed at the very top of government president and from Public Service and Administration Minister, Geraldine Fraser Moleketi to help management understand the way and role of whistle-blowers in averting harm”

www.opendemocracy.org.za/documents/whistleblowing.crisis.htm

If leadership ensures that stakeholders are collectively involved in exploring workable solutions to minimize corruption then perceptions and attitudes about whistle-blowing should change. Paradigm shift in people’s way of thinking is likely to improve.

Furthermore the beliefs and values shared by people in the business (or organizational culture) are very important because it explains individual behaviour. Unless management analyses organizational culture correctly, it will never know why employees do or do not do, certain things (Cronje, et al, 2004; 172).

Glen Moulton believes that "If an organization is serious about combating fraud, it disregards organizational culture at its peril" (The Mercury, 16-02- 2005).

It is through a holistic approach as opposed to reductionism that should help us to consider whistle-blowing as more than just a risk management tool. Corporate organizations have a social responsibility to effectively manage the consequences of their operations. An increased awareness of the benefits of whistle-blowing can empower workers to make good decisions about corrupt activities.

3.5 Delimitation and Limitation of the Study

The study will be conducted in the Contact Centre department within Eskom Distribution in the Eastern Region. The findings will be limited with respect to generalizing to the entire organization as the sample is not representative of the wider organization.

However there is a belief that insight that will be generated from this study would be useful in implementing an effective Whistle-blowing policy.

3.6 Significance of the Study

The life that we lead comprises complexities and dilemma. Churchman (1968) points out that on the one hand, it would be extremely foolish to ignore the problems of the world today, and so to speak, bury our heads in our own pile of gold. On the other hand, there seems to be no adequate way even to think about the major problems of the world in any realistic sense. As indicated earlier, Systems thinking is useful for tackling issues that are embedded in complexity created by human activity. Corruption is not easy to fight because in most cases you do not even know where to start and who is involved and the degree of involvement required. Transforming every member of the organization into

a whistle-blower appears to be a solid foundation which can guarantee transparency and accountability.

However it all begins with a deeper understanding of whistle-blowing and acceptance of whistle-blowers as a vehicle that can drive anti corruption initiatives forward. A different way of thinking is central to the achievement of that purpose. This study is not intended to praise Systems thinking as the only way in which whistle-blowing systems and or policies should be modeled. But it is a method that will appreciate foster and acknowledge different perspectives on the subject in question. It is believed that this can generate useful information that will subsequently contribute to broadening the knowledge, spreading the awareness and hopefully bring about a paradigm shift on the issue in question.

ESKOM Environment

ESKOM has 3 Divisions, namely, Distribution, Generation and Transmission which are spread across 6 different Regions. These Regions are Central Region, Eastern Region, Northern Region, Southern Region, Western Region and North West Region. Customer Services section is under Distribution division and the Contact Centre falls within Customer Services section. This study is conducted in Eskom Distribution in the Eastern Region within the Contract Centre Department.

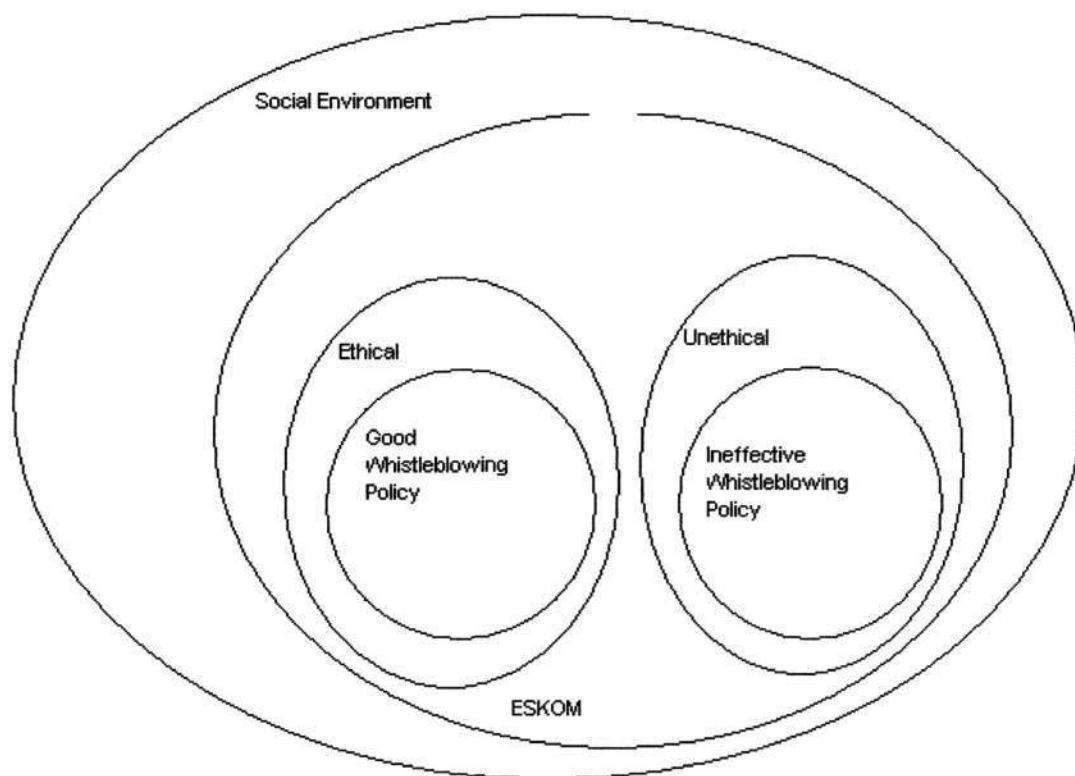
3.6.1 Problem Analysis

3.6.2 Introducing SUDA model

Since the objective of the study is to evaluate whistle-blowing policy in light of the problems that Eskom is experiencing, this section of study focuses on analyzing the problem. As one of the applications of Systems thinking, this problem has been thought of in terms of working through four basic phases; sensing, understanding, deciding, and acting. These are referred to a SUDA model (TMA Disc).

The use of the diagrams has been used to effectively evaluate Eskom's whistle-blowing policy and the relevant factors which underlie whistle-blow. Each diagram is presented with a narrative.

3.6.3 Sensing Phase



Systems Map showing the effects of the Whistle-blowing Policy on individual behaviour.

3.6.4 Systems Map Narrative

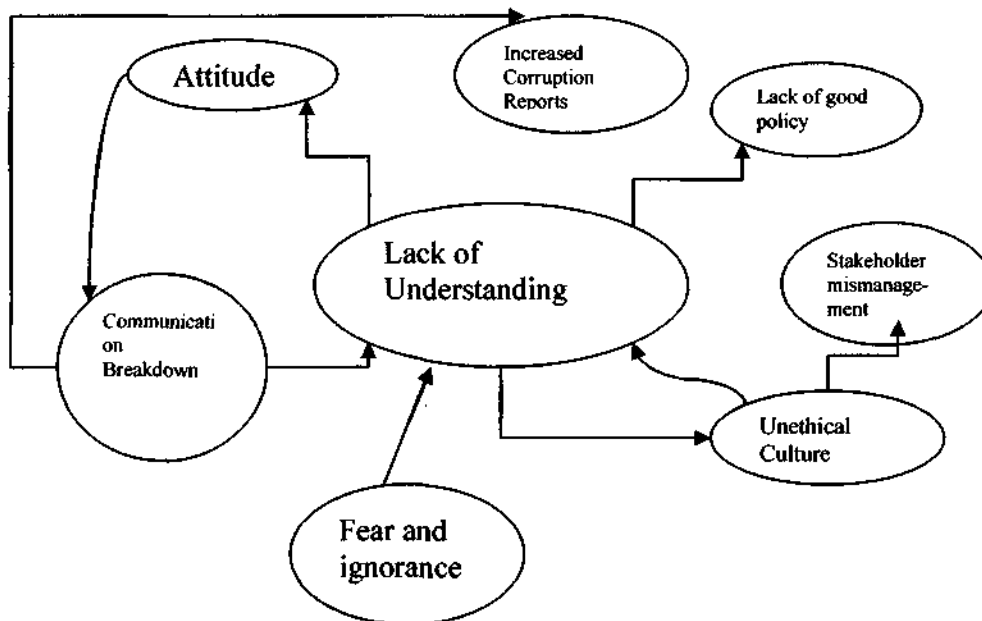
On the map is an Eskom environment and the external environment within which Eskom operates. It shows the effects of a policy on employee behaviour. Logically a good whistle-blowing policy reinforces ethical behaviour and the opposite is equally true. What is basically sensed on the map is that the real test of a policy is on the behaviour of employees. These are organizational boundaries that might hinder or heighten worker's motive of blowing the whistle on his/her employer. The decision to blow the whistle will depend on the perspective individual employees have on blowing the whistle, and more importantly on the nature of the Whistle-blowing policy. Whistle blowing is considered an effective tool to fight corruption, but it is always risky to report your superiors' wrongdoing.

The external environment on the map shows interconnectedness of Eskom with its environment. There is a high rate of unemployment in the environment outside of Eskom. This is a situation that will not encourage any employee to risk losing their job for the sake of being a conqueror of corruption. Eskom has a duty of social responsibility and one way of achieving that end would be understand the boundaries and their interconnectedness. A full comprehension of the whole system can add more value into the analysis than merely focusing on one part.

3.6.5 Understanding Phase

I have used a rich picture, a multiple cause diagram and an influence diagram for this phase and the use of the diagrams in this phase has given the results which can be used in other phases as well.

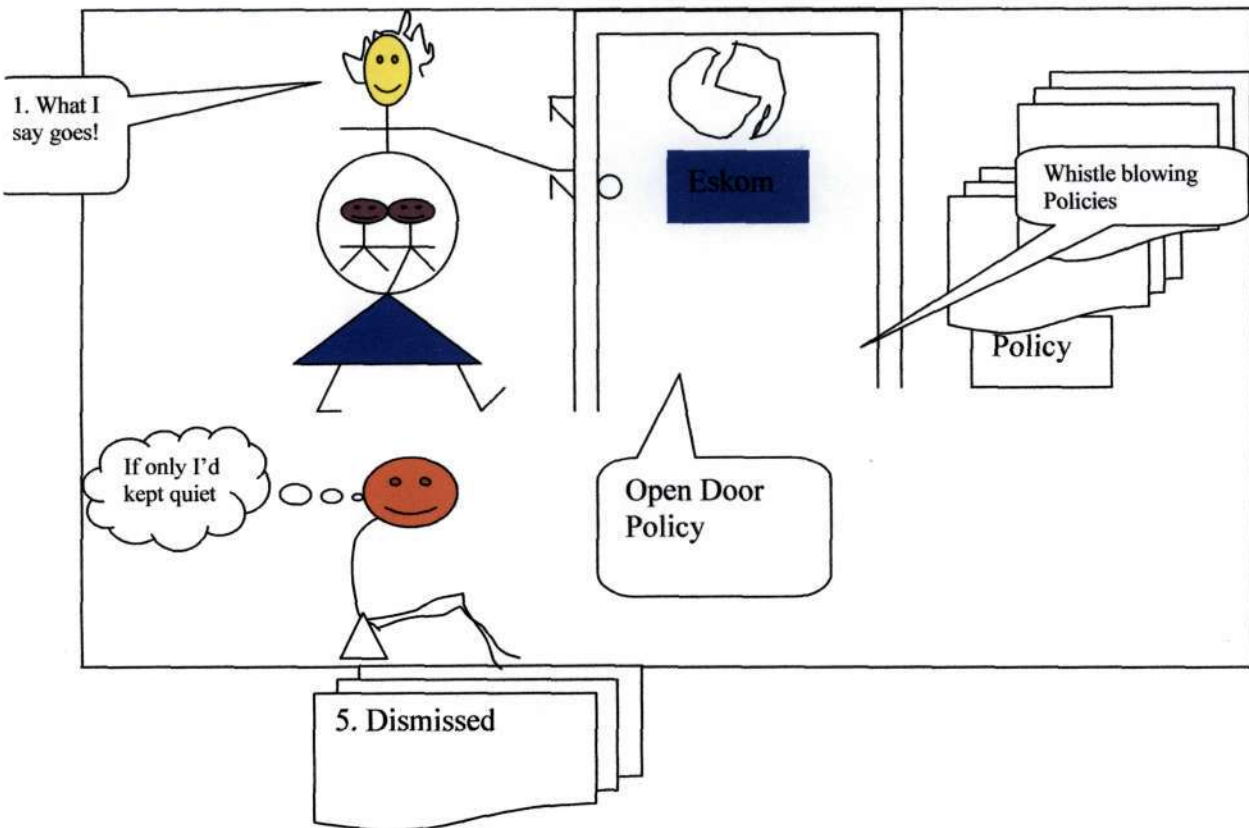
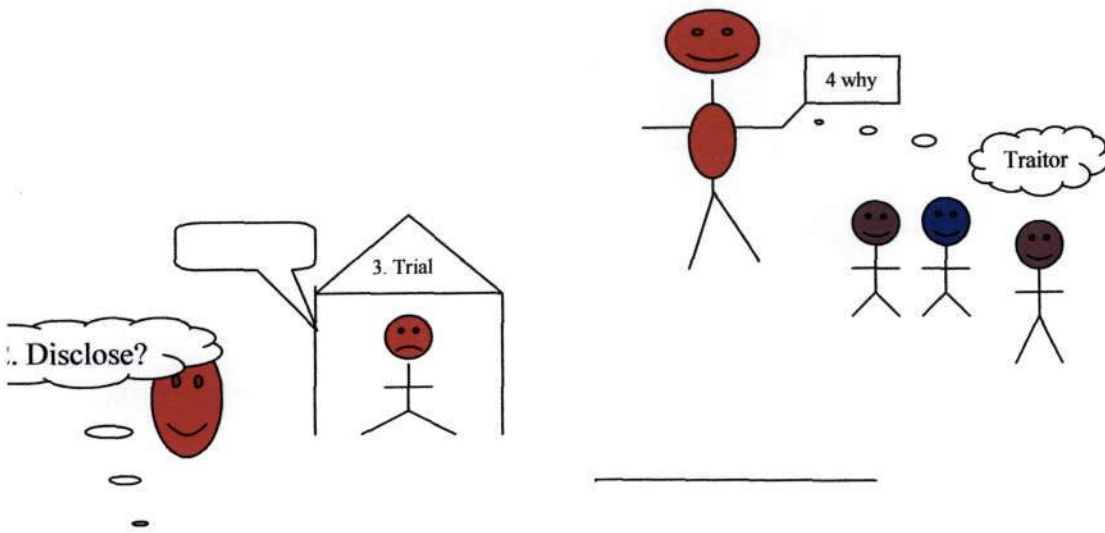
An Influence Diagram



3.6.6 Influence & Multiple- cause diagram Narrative

The diagram shows multiple-causes amounting to increased corruption reports and incidents. It gives me another idea which I never had, and that is perhaps there is a lot to learn from the predicament itself. In fact the current study began as a result of the predicament faced by the whistle-blower. The diagram depicts and lists other important factors surrounding the issue under investigation.

The diagram shows the areas that need to be addressed if whistle-blowing is anything to go by. The behaviour of whistleblowers is influenced by fear of being dismissed after blowing the whistle. Also perceived lack of protection is the issue that needs to be tackled in order to effectively address whistleblowers' dilemma. The diagram also reveals that the issue of ignorance, lack of communication and historical context are all contributing factors to the predicament faced by the whistleblowers. These need to be captured in the analyses as they form part of the problem.



3.6.7 Rich Picture of a typical effect of whistleblowing

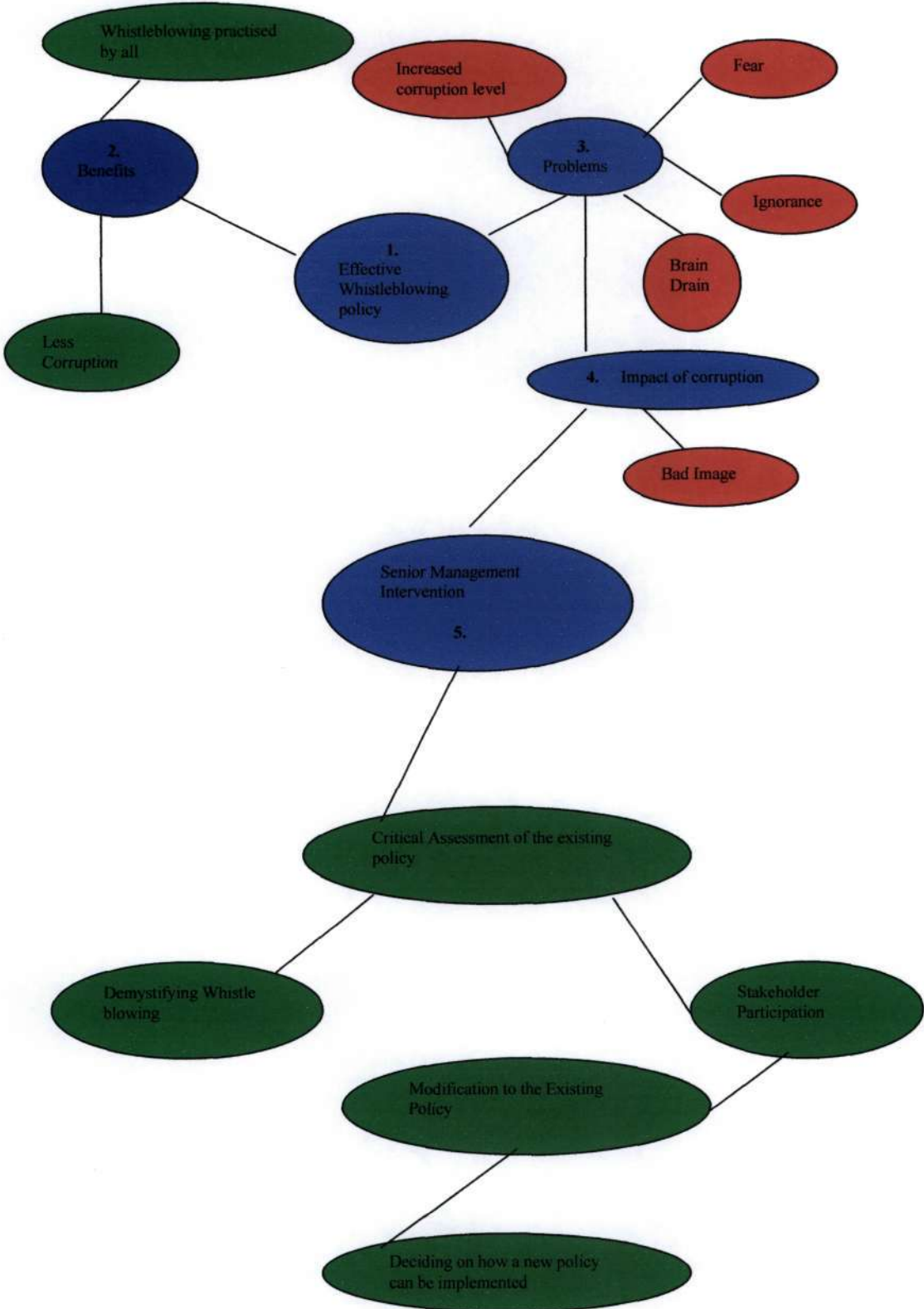
3.6.8 Rich Picture Narrative

1. The rich picture shows a corrupt manageress who appointed two of her relatives to positions which they do not qualify for and they were appointed without interviews.
2. It further shows what goes on through a concerned whistle-blowers' mind. He is an employee and is thinking about the repercussions of disclosing or remaining silent about the wrongdoing going on in his department.
3. Having made an ethically sound decision of blowing the whistle on his manager, the whistleblower finds him-self facing a disciplinary hearing or a trial.
4. The picture continues to show a whistleblower being ostracized by co-workers following his actions of blowing the whistle on the manager.

It also shows that there are whistle-blowing policies in place at Eskom. However organizational wrongdoing continues despite the policy in place. Finally the picture shows a dismissed employee whistleblower deeply regretting his actions of disclosing his manager's corrupt activities. Workplace retaliation is one factor that causes reluctance to whistle-blowing and puts the whistleblowers in a predicament. The solution to this problem is an effective policy.

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3.6.9 Spray Diagram to make notes for Significant Connections



3.6.10 Deciding and Acting Phase(s)

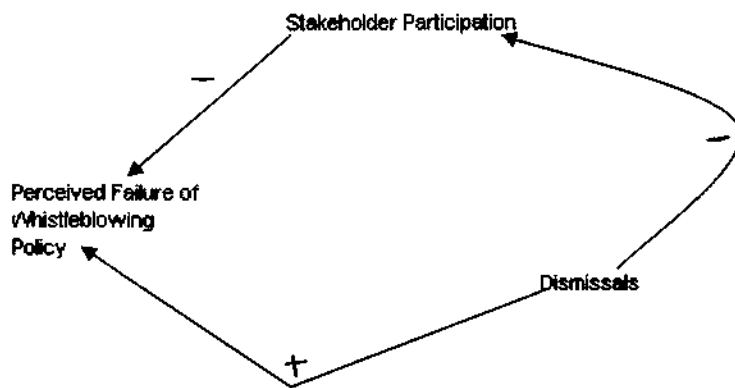
Under these phases I have used a spray diagram and a sign graph.

3.6.11 Spray Diagram Narrative

Spray diagram generates important arguments that are put forward by the study. It points out the benefits as well as problems of understanding whistleblowers predicament. The problems indicate the depth of the issue and the strategies that will need to be employed if the issue is to be resolved. Likewise benefits are listed (on the diagram) which shows what will be gained if the organization can deal effectively with the issue in question.

An effective whistle-blowing policy can be measured by the benefits that it brings to the organization. These, as depicted on the spray diagram, are decrease on corruption as well as embracing of whistle-blowing by all in Eskom. However, in the same way, an effective whistle-blowing policy can have internal organizational obstacles which may lead to the policy objectives not being realized. These are labeled on the spray diagram as fear, ignorance and brain-drain. Unless the organization begins to deal with these obstacles, the policy, however good it may be, will not be effective. If these issues continue unabated then corruption is likely to take its toll on the organization

Furthermore, the impact of corruption in organizations may go as far as creating a bad image. This warrants senior management intervention to assess the policy through involving all the stakeholders. Then a decision will have to be made between modification of the existing policy or recommendation for the better use of the current policy.



Sign Graph

3.6.12 Sign Graph Narrative

This sign graph also shows immediate causal connections to understanding perceived failure of whistle-blowing policy as: lack of stakeholder participation and over-emphasis on punitive measures. These two are central to the issue and forms part of the resolution.

3.6.13 Summary

Thinking about the problem in terms of working through SUDA Model has provided the framework for improving my comprehension of the whistle-blowing problem. For instance, the used of a systems map in the sensing phase allows for recognition of controversy in this whole situation.

It also includes a preliminary identification of problematic symptoms such as the influence a Whistle-blowing policy can have in terms of contributing either good ethical conduct or bad ethical conduct. It is important to note that at this (sensing) stage of the planning phase most of the things are not clearly understood. However the nature of sensing phase allows for putting up with not understanding while more information (to increase awareness) is collected before setting out to understand what is going on.

The use of influence diagram and the rich picture in the understanding phase identifies several possible systems of interest from the themes that emerged in the sensing phase. Two of those as shown on the influence diagram are unethical culture and lack of good policy. The rich picture shows transformation process of what was sensed about a situation (for example, unethical behaviour becoming a culture as a result of an ineffective policy) into a systemic description of the system of interest.

The deciding and acting phase is marked by use of spray diagram and sign graph. Here a clear understanding of what is going on and the will to act or do something about it has been established.

CHAPTER 4. Research Design

4.1 Research Approaches and Paradigms

The study will be based on a qualitative research approach. It is more explorative in nature and is conducted in a natural setting focusing on the process of implementation rather than on (quantifiable) outcomes. Observation and note-taking will occur as I will also be participating in a natural field setting.

4.2 Methodology of the Study

The methodology that will be used is Soft Systems Methodology because the problem situation includes relationships between people and the activities they undertake. It is believed that this will facilitate better understanding of the problem and better ways of generating alternative options which might lead to finding a resolution.

4.3 Methods of Data Collection

Observation, focus groups, interviews and communication (using questionnaires) will be used as a method of collecting data. The semi structured questionnaire which includes open ended questions will also be included in the data collection. This will be done in order to allow the respondents to use their own words and ways to answer. A pilot study will also be conducted on a small sample of employees to test the level of understanding whistle-blowing, which will result in informed conclusions about the efficacy of the Whistle-blowing policy in the Eastern Region.

4.4 Data Analysis

Data analysis will entail breaking up the data received through the data collection methods into manageable themes, and relationships. Information obtained in the

literature review will be measured against the natural environment. The aim will be to understand the various constitutive elements of my data through an inspection of the relationships between concepts, constructs and to see whether there are any patterns or trends that can be identified or isolated and to establish themes on the data.

4.5 Outcome of the Study

It is expected that the outcome will lead into some findings about how the policy incorporates the range of core issues and principles within risk management, identification of key issues of Whistle-blowing in the Eastern Region as well as recommendations for greater use of policy.

CHAPTER 5.

5.1 The Process

5.1.1 Focus Groups

The process that I went through in obtaining my data has been to get every stakeholder involved in reviving ethical consciousness within our region. The method that I applied was that of a group discussion within my department. I made sure to avail myself in all work-team sessions that each supervisor is required to have. These focus groups are made up of a team of not more than 10 (ten) staff members, including the group supervisor. The department has about seven (7) teams.

The theme of the discussion in all the work-team sessions was how best can we cope with work pressure since every staff member is aware that we are always short-staffed. This is always the topic of discussion in the Contact Centre department which affects every member of the staff and the neighbouring departments. My presence in all different work team sessions was strategic and I initiated discussions on the issue of Whistle-blowing and recorded by way of observing and note taking inputs from the team members. This method was not only a solution to time constraints but it also afforded me the ability to gather information from several respondents within a short time.

I also tried to introduce such discussions in union meetings which are interdepartmental. However due to the size of the group, its composition and involvement of people from other departments it was not easy to control, observe and take notes simultaneously. The technique that proved useful was to lay a foundation where all will realize the importance and benefits of knowing and adhering to the policy of good business ethics. One of them has been to draw on Eskom Distribution's four core values. These are:

Innovation

Customer Satisfaction

Integrity and

Excellence.

These values are the guiding principles through which we should all strive for.

Eskom's Ethics and Value Policy clearly states that ethics involve two aspects:

- The ability to distinguish right from wrong
- The commitment to do what is right

From the values above we established a common ground that a commitment is made by Eskom Distribution to provide a better service at all times to its customers. Such values are a driving force towards attainment of organizational vision and hence organizational effectiveness. Building a trusting relationship, a culture which is governed by openness, fairness, respect and dignity not only guarantees integrity but will also ensure that Eskom becomes a reliable and trustworthy organization. Corrupt activities and fraud will be minimized and every stakeholder shall be empowered and entrusted with authority to detect and hence report unlawful or unethical business conduct.

I had to observe, listen and record peoples' responses as they engaged themselves and each other on the issue of whistle-blowing and corruption.

5.1.2 Historical Review

The use of historical review was aimed at describing what happened in the recent past so that the present can be understood and the plan for the future be made.

To engage everyone in the Contact Centre, I made use of Local Legends. These are internal publications from the Communications department which reports how the organization is doing within various spheres. These are normally distributed to every staff member. With the help of these articles it was easy to talk everyone through existing records, case studies and reports on the issue of corruption and Whistle-blowing.

In the recent past Eskom had reports of fatality of its workers and subcontractors particularly those who are working on high voltage lines (HVL). Investigation report provided that this happened as a result of negligence and contravention of Health & Safety standards. Reports which include loss of lives spread like wildfire causing a lot of harm to Eskom. Our Regional Performance Model (RPM) is negatively affected by these reports. If we are rated low by our stakeholders on Safety matters it means we are not adhering to Distribution values. It is also an indication that our modus operandi is not aligned to the mission and vision of the organization. Our CSI will also be low and this impact negatively on our bonuses. We therefore had to brainstorm as to how best we can influence this.

Using the historical review mentioned above made it easy for every employee to establish a common ground because the issues appeared to affect everyone. Part of the recommendations that were made was that people should begin to take the issue of Safety seriously by reporting one another where Safety standards are contravened. This meant that it is the responsibility for everyone to blow the whistle on any wrongdoing which may result to injury or harm.

5.1.3 Descriptive Survey(Questionnaire)

A descriptive survey was also used in order to obtain employee views and opinions around the policy of Whistle-blowing. I chose the Contact Centre not only because it is a department for which I work for, but also because it is one of the largest departments in the Eastern Region which has been adversely affected by corruption and fraud related dismissals.

A sample of 19 employees was drawn from the Contact Centre population. The instrument used to collect data here was a questionnaire. It was carefully designed in order to make it possible to generalize the results and also test whether the existing policy has any flaws. The use of semi-structured questions which were roughly pre-determined afforded respondents freedom to use own words and ways to answer the questions. A mixture of closed and open ended questions was utilised and where closed ended questions were asked, a space for comments was left for respondents to elaborate. The application of open ended questions was used in order to get enormous variations in answers.

The 'Don't know' alternatives had been deliberately used for respondents in the questionnaire because the assumption is that most workers really have no idea of what whistle-blowing is all about. The Questionnaire was administered with a cover letter assuring respondents of the anonymity of their identity.

Because the work is a shift-environment it was not easy to get all the Contact Centre Management team together to be given questionnaires, thus questionnaires were sent by e-mail to those that were beyond the immediate reach.

The central question sought to understand each respondent's personal feelings about Whistle-blowing Policy in the Eastern Region. Another question was to get to know each respondents personal feelings about the severity of corruption in the Eastern Region.

The questionnaire was simple, concise and relatively short with only 8 questions. The common belief is that the shorter the questionnaire, the higher the chances that it will be returned fully completed (Ghuri and Gronhaug 2002: 97).

5.1.4 Interviews

An interview was conducted with NUM's Regional Shop steward of the majority union on the 18 November 2005

An interview was also conducted with NUMSA's Part Time Shop steward who is also a member of the department on the 18 September 2005

The interview questions were also semi structured. See questions on the Appendix:

5.1.5 Summary of Data

The data that was gathered can be summarized as follows:

On the issue of Whistle-blowing, nine managerial employees responded as follows:

- Out of 9 that were given questionnaires 8 of them agreed to have witnessed organizational malpractice in Eskom, Eastern Region
- Eight of them indicated knowledge of a Policy, initiative or Directive aimed at fighting workplace corruption within Eskom, but none of the policies or directives were mentioned
- 4 respondents agreed that Eskom is doing enough to manage workplace corruption, another 4 disagreed and 1 was not sure.
- All the respondents (9 of them) agreed that they will disclose unlawful conduct by their colleagues.
- 7 agreed that they would disclose unlawful conduct by a superior. 1 respondent did not agree and the other 1 respondent was not sure.
- None of the respondents responded as to where would a report of an unethical conduct (of a senior person) be made to.
- All the respondents commented that they would not want to be known once they have disclosed information. They all cited victimization as the main reason for wanting to remain anonymous.
- 5 respondents believed that people should be rewarded for disclosing information in order to encourage a whistle-blowing culture. 3 respondents commented that rewards will make management of whistle-blowing more laborious, and it will lead to more corruption as people will send fake reports. 2 respondents remained uncertain on the issue.

Ten non managerial employees responded as follows:

- All respondents (10 of them) answered “YES” to witnessing incidents relating to organizational malpractice throughout their career in Eskom, Eastern Region.
- Of the 10 respondents 7 agreed on having no knowledge of any directive or initiative (such as Whistle-blower’s Act or Protected Disclosures Act) within Eskom. The other 3 answered yes, but did not mention Whistle-blowers’ Act under comments column.
- On the question of whether Eskom is doing enough to manage workplace corruption, 5 answered No, 3 answered Yes and other 2 was not sure.
- 5 respondents said they would blow the whistle on the colleague. The other 5 responded that they would not.
- On the issue of reporting a superior, 2 respondents agreed that they would report wrongdoing by a superior. 1 respondent was not sure. 7 respondents said they would not report a wrongdoing by a superior (i.e. Manager or Supervisor).
- On the question of whether rewards should be given to whistle-blowers, 8 respondents said NO, and 2 respondents said YES.

5.1.6 Interpretation of Data.

Interpretation of data is presented in a form of themes.

- Corruption

What can be drawn from the data above is that corruption is indeed a serious problem in the Eskom Eastern Region. This is evident on the subjects' responses. Both managerial and non managerial employees collectively agree (with the exception of one respondent) that they have, throughout their careers, witnessed corruption within Eskom.

It is also clear that people do not have a common understanding about proper channels of disclosing corrupt practices within the organization. Even those with good ethical values seem to have little or no idea as to how they can blow the whistle responsibly thereby enjoying the benefits of a protected disclosure. To some, the motivation to blow the whistle is to even the scores while others are hindered by ignorance and fear of workplace retaliation to the wrongdoing they observe. This is contrary to the aims of PDA or Whistle-blowers' Act in Eskom. A training gap has been identified.

- Organizational Retaliation

Workplace reprisals appear to be at the back of people's minds, that is the first thought that comes to mind before an observed wrongdoing can be exposed is the consequences of blowing the whistle. While Eskom has entrusted its employees with the potential to detect internal wrongdoing it would seem that not much is done at Regional level to address obstacles to realization of organizational objectives. The fact that the entire population sample did not mention a PDA when asked about anti-corruption measures which Eskom is engaged in shows that employees have no knowledge of an internal whistle-blowing policy and the correct procedure to disclose thereof.

- Stakeholder Management

These results also show that even if the policy is good, proper management of the stakeholders is central to the achievement of the desired goals.

- Communication Method

Eskom's Protected Disclosures Act is aligned to the national legislation on corruption, the Protected Disclosures Act (No26 of 2000) and it is found on the company's intranet. From the responses of the respondents it would seem that none of them has ever come across this policy.

- Employee-Management Adversarial Relationships

There is evidence of a traditional hostile relationship between management and labour in the Contact Centre department. This is evident on non managerial employee's responses where they say they will tolerate their colleague's wrongdoing by not disclosing it, but if it is a superior some will blow the whistle, even though they do not know how. This shows that employees perceive whistle-blowing as a platform for sorting out individual differences. The unevenness of opinions seems largely to be influenced by the positions people hold within the organization.

CHAPTER 6

6.1 How this data adds new knowledge

In the literature review the focus has been on what a good whistle-blowing policy hopes to achieve. That is, it seeks to foster a culture of individual responsibility and organizational accountability. In an effective whistle-blowing environment everyone will be free to report the wrongdoing without any fear of victimization. Within that culture there is a zero tolerance for corruption, the corrupt and wicked do not feature, they are removed from the organization through dismissals. However what can be added to the literature is a balance that should be struck by organizations in terms of ensuring that key stakeholders, such as employees are involved in the policy implementation. Such stakeholders can, when excluded, make a good policy seem ineffective.

Furthermore dismissals negate the fact that sometimes organizations that individuals work in can have either a good or a corrupting influence on their moral character. "People with good moral characters can turn to unethical behaviour if they find themselves in organizations where unethical conduct is the norm (Rossouw and Van Vuuren, 2004: 7). What this means for Eskom is that unintended consequences must be carefully thought of whenever a policy, a directive, or any change is to be introduced. Punitive measures such as a dismissal instill fear on employees and media reports of whistle-blowers who end up being dismissed can only fuel this fear.

6.2 How this new knowledge might be useful

Thinking about the unintended consequences will help Eskom not only to get a feel of the sudden changes that might emerge from the environment but to find alternative ways of dealing with it. An analysis of unintended consequences of dismissals might be useful to Eskom.

6.2.1 Unintended Consequences of Dismissal

In The Policy Brief, Wiggen and Bomann-Larsen (2004) refers to the importance of managing harmful side effects of corporate activity. The argument is that 'companies operating in developing countries tend to evade responsibility for the consequences of their operations, often pointing to the fact that the practices in which they are engaged in are legal'. (Policy Brief 2004; 1) Drawing on the Ethics of Double-Effect alluded to earlier, which is premised on the rationale that actions often have more than one outcome – that is, they may produce side effects, Wiggen and Bomann-Larsen (2004) gives the principle a much broader perspective. They argue that when side-effects are undesirable and particularly harmful then double effect becomes a moral problem. "Actors are responsible for such side effects....[and they] are blameworthy for side effects when they allow them to happen if they could have been prevented or when they make little or no attempts to minimize them" (Bomann-Larsen & Wiggen 2004: 4).

If one is to analyze Eskom's harmful side effects in light of what the Policy Brief says, an important lesson giving moral justification for investing heavily on eradicating potential barriers to whistle-blowing can be found. South Africa already has a problem of a high unemployment rate and ideally dismissals need to be avoided at all costs by corporate sector. Depending on the definition of unemployment used, unemployment rates vary between 34% and 45% (Le Roux and Gallant 2003 pp 2). This is extremely high and research has shown that there are approximately 4,7 million unemployed persons in South Africa. (Finnermore, 1999; pp 52).

The government initiatives to reduce unemployment involves getting all the stakeholders (that is, the community, business, labour, non governmental organizations, churches and academic institutions) to join hands in an effort to build a strong economy. This is evident in the government intervention through legislation whereby measures are set for employers to cater for worker participation, provide for women development and emancipation, employment equity, black economic empowerment, reconstruction and development program and many other policies and statutes. As a para-statal, Eskom is

entrusted (by all the stakeholders, including the State,) with ability to create job opportunities, attracting and training local people as well as developing them to become prominent future leaders who will contribute to economic stability of the country.

However the continuous dismissal of Eskom employees on corruption and or fraud related charges add another statistic to an alarming high rate of unemployment. It may also send a negative message about Eskom's training processes on work ethics in general and Eskom recruitment policies and procedures in particular. This is not to say that Eskom should tolerate or cover up internal corruption and malpractice in return for sound economic stability. But the intention is to move away from reductionism where corruption and whistle-blowing can be understood in terms of the isolated parts. The aim is to adopt a more holistic stance, whereby all interrelated components of the system are taken into consideration. It is through holism that societal factors and the environment in which Eskom operates should also be carefully analysed when dealing with the issue of whistle-blowing.

The danger of focusing only on one part often leads to 'obvious' solutions. In this regard the obvious solution will be to adopt the thinking that workers generally contravene the law, therefore there is nothing wrong with the Whistle-blowing policy, and the problem lies with the workers themselves. While this could be true but 'obvious' solutions to problems are not always correct, and apparently correct actions are often the causes of the very problems that are being addressed (Forrester 1994: 7)

I want to argue that this continuous dismissal is a side-effect which could be prevented through minimizing barriers to whistle blowing. Dismissal is not always a solution, it may have some ramifications. Corporate organizations often want to come across as having a zero tolerance on corruption by dismissing offenders while also making minimal attempts to educate their employees. This may also give an impression that the motive behind sending employee workers on training courses is merely to comply with legislative requirements.

Even though there is a fair procedure to be followed when dismissing an employee for a gross misconduct, such dismissals always comes at a price.

Firstly it cost an organization a considerable amount of time investigating an employee who is suspected of misconduct. Depending on the company's conditions of employment and the nature of the case, most organization would suspend the accused pending the outcome of the internal investigation hearing. During that period of suspension the department (from whom the accused employee belongs) will inevitably be short-staffed much to the detriment of not only other co-workers but the customers and consequently the entire Eskom.

Scheduling time is also affected in the process, with the scheduler having to chop and change times in order to compensate for the absent or suspended employee(s). The work load piles up especially in the contact centre environment, the service level will drop when human resources are limited. The end result is that these few energetic available employees become overburdened with stress workload and eventually burn out. The burning out often manifests itself through go slows, low staff morale and increased sick leave rate. Even reliable workers may be seen wearing negativity as if it is a brand name. The ultimate result is that Eskom also does suffer the consequences of dismissing its own employees.

Most organizations will have back up measures to guard against in the event of an undesirable outcome, such as getting a temporary worker in place of the employee(s) who is being investigated. This method too has cost implications. For instance, hiring a temporary employee means that time should be dedicated towards training this incumbent. Service Levels may well be compromised in this entire process. At the end of the day complaints from dissatisfied customers intensify.

The same holds true even when a new (permanent) employee is appointed. In this way losing out a resource (employee) becomes much of an expense than a gain to the organization. Some dismissed employees challenge the organization's decision to fire them and seek external legal recourse. The matter eventually ends up becoming a public

debate with the media people giving their own (often distorted) views on the issue. Reports of this nature are potentially damaging to the image of the organization because of bad publicity. Therefore getting the right whistle-blowing policy in place can help identify problems before they become emergencies.

The Labour Relations Act of South Africa lays out a legal framework that must be adhered to by both parties (i.e. Management & Labour) in conducting their employment relations including their contracts. Unlike in the olden days dismissal of the employee has now become more of a process than an event.

All of these pressures if not carefully addressed can damage employee-relations in the workplace. Employees may feel less protected and even alienated in the workplace. The danger is that a worker becomes an enemy within the organization. In an environment like that a culture of malpractice and irregularity often becomes a norm and it can spread like wild fire. Whistle blowing is not likely to survive under such circumstances. Instead factions in the workplace become a way of life. No matter how good a policy can be it always is difficult to implement it if the organizational culture is unethical.

The unintended consequence of fair dismissals is often a contribution to unemployment. The Labour Relations Act (LRA) affords employers a right to dismiss employees on condition that they can prove that a trust relationship has been irreparably damaged. Most corruption related cases destroy the relationship of trust inherent in the contract of employment. Employees dismissed on fraud related charges are not likely to find employment elsewhere because criminal background checks always render them *untrustworthy to potential employers*. It becomes even worse when they have dependants, who become victims of this unfortunate circumstance.

They eventually cannot afford to pay for their children education, support their families, and provide food and shelter for themselves. They become economically inactive and thus more likely to partake in corrupt activities such as stealing of electricity cables, illegal connections and putting more financial strain to the taxpayers. So while the

government is trying to reduce unemployment, corporate organizations can unintentionally increase rate of unemployment. While the country is concerned about reducing crime and poverty, corporate organizations shed more jobs causing crime and poverty to grow. Furthermore the problem of illiteracy which the State is trying to address can be aggravated by organizations continually dismissing employees.

With the advent of HIV-Aids dismissed employees who are ill will no longer be able to pay for their medical bills. It is the tax-payers money that pays all of these costs. It is imperative that organizations find alternative ways to prevent this situation. Whistle blowing has been identified as the important tool in fighting workplace corruption and therefore it should do just that.

6.3 Personal Learning and experience in doing the research.

As a practitioner or researcher, you need to devise a good plan of action in order to derive most out of minimal time that you and your key role players have. The process of feeding back to the supervisor(s) on time is supplemented by a good plan of action. Constructively engaging the respondents in the process reduced the workload and it was only possible through effective time management.

Setting up a bar chart on MS Project (software) with dates and times of all the activities that need to be attended has proved very useful for my research. The importance of keeping a note book (or a reflective journal) helps not only to ease the burden, but also to keep track of the learning that occurs throughout the research journey.

Systems thinking can be effectively applied in order to acknowledge, and appreciate people's perspectives and worldviews. This will assist in terms of understanding the rational behind individual attitudes as well as to time the intervention that will allow change to take place. Systems approach will also allow for change in the thinking patterns embedded in the interconnectedness of individuals with the society in which they come from. What seems to be the case is that individual perceptions around the issue of whistle-blowing comprise many interacting feedback loops and long time delays.

That is, causes of an observed symptom, such as, individual reluctance to disclose information on malpractice by a colleague or a superior, may come from an entirely different part of the system and lie far back in time. If the management approach is premised on close association between cause and effect, it is likely to be drawn to actions that are not relevant to the problem at hand. In this case, punishment, in a form of dismissal will be a primary reaction. This account for implementation of good policies which do not in the long run achieve desired results.

In Eskom it is not uncommon to see good policies not yielding positive outcomes. Within the Contact Centre department, for instance, comments are often received from irate customers saying "You have world-class Customer Relationship Management

Systems and best candidates. But why is your service not the best?" If remarks like these and observations are accepted as valid by Eskom Eastern Region, then Systems thinking has to be adopted in order to trace many interacting feedback loops and time delays causing a perception that the organization is lagging behind with results despite world-class systems, legislations and policies in place.

6.3.1 Using Appreciative Enquiry to reinforce ethical behaviour

One of the approaches leading to organizational learning and creativity is termed as appreciative inquiry. It is defined as 'a worldview, a paradigm of thought and understanding that holds organizations to be affirmative systems created by humankind as solutions to problems' (Watkins & Cooperider in OD File, 2005).

This approach seeks to replace the traditional problem solving approach of finding what is wrong and try to come up with solutions to fix the problem by seeking what is right in an organization. It moves towards what the organization is doing right. Appreciative inquiry seeks to find images of the possible rather than scenes of disaster and despair. The rationale behind appreciative inquiry is that the habit of seeking and finding the generative rather than the destructive image appears to have far more power than simple peace of mind. Watkins & Cooperider (2005) however warns that appreciative inquiry is not about denying the negative and destructive. They argue that it is rather, about focusing on the positive and creative as a force for building a more positive future.

Applied in Eskom it will provide an expanded way of viewing reality and a practical rationale and method for creating a desired future. One of the requirements of the effective use of this approach is a commitment on the part of the organization to continuous learning, growth, and generative change. This can be applied at Eskom to encourage good ethical conduct among the employees. In this way morally insensitive individuals can be restrained from unethical behaviour if they find themselves in an

organization which rewards good behaviour. The use of appreciative inquiry needs to be applied in the Contact Centre department to revive individual moral conscience.

6.3.2 Change as a preparation for the greater use of Whistle-blowing Policy in the Contact Centre.

My department needs to transform in order to embrace whistle-blowing as an activity that can bring about desired organisational goals. Felkins et al (1993) provides four different perspectives on Change. These are Rational/Behavioural, Systems, Cultural/Interpretive and Critical Humanism. Analysing my department in terms of these four approaches of change has enhanced my understanding of the current situation the identification of gaps and resulted to an efficient way of bridging that gap.

Change from rational/behavioural approach is often defined by the bounds of bureaucracy and hierarchical structures in organisational relationships and actions. Substantial change can be seen as a threat to this highly structured, secure order. The intention of whistle-blowing is to raise a concern in good faith on organisational wrongdoing or malpractice (Rossouw & Van Vuuren 2004). If a manager engages in unethical conduct the people s/he leads must feel protected well enough to take reasonable measures to report that and save the organisation. This could be misinterpreted as posing a threat to supervisors who may feel that their authority is questioned particularly by those who are below them. Only a change in thinking will help management and labour to move away from an adversarial stance and adopt a participative way of doing business in the workplace. Management has to steer the ship if collaboration is anything to go by.

Within this approach, McGregor, (as cited in Felkins et al, (1993) summarises management perspectives into two theoretical positions which are theory X and theory Y. Theory X is based on managerial direction and control while Theory Y is focused on the integration of individual and organisational goals and employee responsibility. The current situation dominant in my department (the Contact Centre) is theory X management perspective. Management exercises strict control, and close monitoring of

employees and sometimes threats to some who do not want to conform. Most changes experienced come from the top and work team sessions/breakaways are held to inform staff about new changes adopted by management. Change in this model is imposed and often punitive.

Very strict control is however inevitable in the Contact Centre because of the nature of work performed. For instance, close supervision is required to ensure adherence to time schedule as well as work attendance level demands management control and performance measurement requires constant reviewing of individual employee performance. In this way stricter employee monitoring becomes inevitable. This means that certain aspects of Theory X, as defined by McGregor, are indispensable to smooth running of the Contact Centre. However to compensate for freedom that is often taken away by strict management control, the manager must create a positive environment for change and individual development by the application of McGregor's theory Y perspective.

Stressful nature of the Contact Centre work can be transformed into fun, with the employees taking full responsibility, exercising self-direction and commitment which will see them enjoying the benefits of their good behaviour. This perspective nurtured the imagination, ingenuity and creativity in the work force and builds on a positive change orientation that encourages learning and individual and group development. Also a theory of Appreciative inquiry as suggested by Watkins & Cooperider 2005, OD: file) can assist management in at least, combining both Theory X and Theory

In the Contact Centre environment consistency, conformity and order are emphasized more than innovation and creativity. However the Distribution values as indicated in Chapter four are innovation, customer satisfaction, excellence and integrity. The focus in my department is on efficiency and effectiveness in the internal organisation and since we are driven by customer needs, CSI determines our fate. Service levels, quality of calls and KPI's are the driving forces of change. There is therefore strong focus on precise measurement of results and coordinated stability and growth over time. Improvements are maintained through training, control, measurement and individual rewards. People in

this approach are not always actively involved in management attempts to improve productivity.

The theory X model works in so far as increasing the service levels and achieving set targets and customer services goals. However the high rate of labour turnover and dismissals on charges related to corruption is as indicated earlier, widespread in this department. There is a correlation between employee turnover and dissatisfaction in the workplace. It is not easy for unhappy staff to see the need of accepting whistle-blowing because it is perceived as one of those change management impositions. A mere focus on the achievement of set targets begs questions of sustainability because managers change over time. What will happen if a current manager leaves? A new one will come with his or her style which may differ completely from the style adopted by the other one. This may lead to vicious circles.

With seven years of experience within my department I have witnessed the rise and fall of the department and picked up trends. It takes time before the staff can get used to the style of a new manager. If he or she leaves, people resort to their non-directed often natural way of doing things. This proves the importance of sustainable development and the ramifications of overlooking sustainability.

Systems approach places emphasis more on patterns, interdependent processes and universal concepts. Because of the complexity and extensiveness of the system there is a bit of ambiguity and speculation. Change requires that a balance be struck and or equilibrium maintained. If it is major change, then complete transformation of the total system. This means paradigm shift in peoples' way of thinking. Literature review has shown that people who report malpractice are conceived of as *impimpi's* (derogatory term used to describe an informer). In Eskom, the hotlines are called *mpimpa* hotlines! Change in this way of thinking will pave a way for unconditional acceptance of whistle-blowing, and attitude change for the acceptance and adherence to the Whistleblowers' Act will strengthen.

Management and employee attitude needs to change because these parties complement each other. Changing employee attitude only will not have any impact on the organization, customers and management. It will also undermine the overall objective to maintain the overall balance within the system. If the common understanding on whistle-blowing between management and employees is not established then whistle-blower dilemmas and organisational obstacles which undermine the integrity of the organisation will always be a common feature.

Through the cultural/interpretive approach we can be able to trace sources of manifest behaviour amounting to resistance in embracing whistle-blowing. Answers to questions such as why do people resent (or become reluctant to) whistle-blowing can be traced through this approach. This is deeply embedded in cultural values, norms and thoughts. For instance, it was shown in Chapter 2 that resenting informers originates from historic social interaction where previously, in South Africa apartheid spies were despised as sell outs, killed and persecuted when caught. This has been passed on from generation to generation through social interaction. That is how reality is perceived by groups and interpersonal interpretations in decision-making. Change can be influenced among people, through daily conversations and practices in a non-directed level.

“Modifying the language, changing conversations, and checking interpretations of organizational interaction and practice are essential in coordinating a larger organizational change process” (Felkins et al 1993: 77). It is against this background that changing the language associated with whistle-blowing from *impimpi* or informer to business right activist should perhaps be considered

The process of interaction and coordination brings about changes because rules and norms are constantly being negotiated created and recreated by the people in an organisational context. Holding work team sessions and informal discussions and sharing of experiences will enhance resolution, implementation and monitoring and observing gaps for change. This is only possible with management commitment and support.

New ways of thinking which question and challenge the everyday construction of reality in the social, political, and cultural concept of an organisation is needed if whistle-blowing culture is anything to go by. The effect of organisational structure (bureaucracy) and power is open to exploitation by those high up in the structure and perceived manipulation by those at the bottom of the structure. With that mental perception and attitude, whistle-blowing is not likely to survive. Whistle-blowers will always be victimised, frowned upon and will ultimately suffer occupational detriment. A whistle-blower will be perceived as a person challenging the authority and workplace retaliation is likely to be the organisational response. However a Whistle-blowing policy which takes all of these into consideration will start off by identifying all these gaps.

Therefore confrontation on issue affecting people becomes the solution that will bring about change while producing greater responsibility, awareness and empowerment throughout the organisation. Central to the achievement of the purpose of whistle-blowing is the challenge on the traditional organisation structure and the implications and use of power and control. This is the perspective adopted by the critical humanist approach. If we look at the environment through which our business exists we observe how dramatic it has changed from traditional environmental structures. For instance, we have strong union activism, new laws that that never existed before, as well as special interest groups, i.e. human right activist, environmental rights practitioners, and animal rights activists as well as the power of the media.

Contemporary organisations have an increased number of stakeholders (as compared to historic organisations) which they are accountable to. The same holds true for the employment laws, we have new policies and procedures that are reviewed time and again to accommodate the new developments. We have a Protected Disclosures Act, Public Finance Management Act, Employment Equity and Affirmative Action policies, to mention but a few. All of these came about as a result of critical analysis of the workplace processes and procedures and it increasingly challenges organisations to be flexible enough to be able to respond to sudden environmental changes.

Change initiatives definitely will have to emerge from internal forces including unions, whistle-blowers and special interest employee groups who encourage critical analysis of the workplace. Ideally change from this perspective should be initiated from the inside-out based on increased knowledge and understanding. Whistle-blowing is premised on values such as truth, freedom and justice. These whistle-blowing values are cited to challenge the authority and 'conscience' for the organisation and demand a balance of moral and ethical obligations with economic and legal obligations. Involvement of all of these stakeholders in policy formulation and implementation is critical to achieving desired results.

Whistle-blowing requires people to know themselves hence individual responsibility is a keyword. It seeks to promote organisation accountability and individual responsibility as well as social responsibility. Raising a concern, in good faith on malpractice to protect public interest clearly demonstrate a sincere commitment to social responsibility. Media images of organisations are the subject of critique discussion.

In a truly transformed organisation issues such as the part the organisation plays in protecting the environment and health of people on this planet always form part of the policies the organisation adopts. Through whistle-blowing, managing harmful side-effects of corporate activity is, as documented in the policy brief, achievable. Critical approach is a reaction to perceptions of a 'mindless, uncaring bureaucracy' (Felkins, et al 1993: 83).

Most critical perspectives are a critique of modern organisation life with a sharp eye toward the distortion and oppression caused by the structures of bureaucracy, power and domination. "Critical approaches seek to give voice to those who have not been heard and to expose corruption and manipulation caused by political and economic structures" (Felkins 1993). That is why whistle-blowing is a total and a clear critical humanist approach.

For Felkins (1993), this approach to change begins with increased dialogue and moves toward shared conformation and debate of critical issues. Critical agendas for change are

both idealistic and revolutionary. The results for organisation members might include a growing respect for people as thinking and feeling individuals, broader sharing of power, control and responsibility and greater responsiveness to all stakeholders including managers, employees, suppliers, customer's stockholders and the community.

Change practitioners need understanding of different conceptions and approaches to change management. This is a logical foundation for beginning any discussion of change consultation and organisational development. Because of the dynamic complexity of organisations most authors argue that it is useful to explore change from a variety of viewpoints.

In my analyses for improved outcomes in changing employee conduct, I recommended the use of appreciative inquiry. Equally the entire process of this study has been informed by Kusy Jr and Rouda's (2000) action research steps. This is the process of systematically collecting research data about an on going system relative to some objective, goal or need of system, feeding these data back into the system; and taking actions by altering selected variables within the system based both on the data and on hypotheses; and evaluating the results of actions by collecting more data.

What I have learned through studying various change perspectives is that whistle-blowing is a critical humanist approach. Combining these different theories of change produce a better understanding of the system and hence timing of change intervention.

Exploring various approaches to change has produced insight especially to my assumptions about poor understanding of whistle-blowing and the role of a whistle-blower within Eskom. The advantages of involving people who will implement change in the change process are clearly emphasized. For instance formulating action research teams is seen as the vehicle that can drive change initiatives to the right direction (Change Management File).

People ultimately determine success of any change effort in how they interpret that change in their actions and work practices. This includes everyone from employees to distributors and customers. Change is ultimately a way of thinking, interpreting and acting within the organisational system. (Felkins, et al: pp 4).

What Felkins and other authors agree on is that successful change depends on an appropriate integration of both formal and informal change processes. Therefore managers must recognise the non directed change processes in daily work practices and apply them to support focused directed change to achieve specific results and performance goals.

6.3.2.1 Directed Change

It is important to seek an understanding of how change can be measured. Otherwise understanding the impact and the extent to which the desired change has affected or benefited the organisation will not be achieved. That can be achieved through appreciation and clear understanding of the difference between directed and non directed change. In the Change Management File, directed change is conceived of as intentional and consciously initiated, managed and evaluated in relation to current and strategic organisational objectives. It is often a proactive move implemented through a definite plan largely under the control of designated boards, executives, managers or employee teams. It is likely to be carefully monitored with regular feedback reports, performance measurement assessments and necessary adjustments to meet overall objectives.

6.3.2.2 Non Directed Change

On the other hand non directed change is often in the shadows largely out of the conscious awareness of most organisation members. For Felkins et al (1993), this dimension may reflect a more accurate picture of organisational culture in core values and group norms related to change. Practices at this level include the implementation of routine procedures, the interpretation of rules and policies, and the results of daily

decisions that are often automatic and unobtrusive. It is also the hidden agendas, unconscious bias, and cultural norms that subtly influence and reinforce these policies (Felkins; 1993; 5).

It is suggested that organisational leaders can influence change by paying attention to what is happening to individuals, groups, units, and systems at the non directed informal level. The greatest impact of non directed change maybe in the information that is lost and the activities that are not coordinated with directed change. A lack of accurate information and feedback at this informal level may contribute to conflict, boredom, burnout, low productivity, and poor work quality. Other issues such as corruption, cultural insensitivity and sexual harassment can also be affected by what happens or does not happen at the non directed level. (Felkins et al 1993 6).

What is advocated here is that leaders in the organisation must begin to see the benefits of integrating non-directed change with directed change.

This literature indicates that when organisational change occurs, the climate must be conducive to the change, employee understanding, participation and support are needed, and some of the changes need to be incremental, step by step and congruent with the existing culture, in order to maintain some form of stability. “Managers need to balance the opposite ends of the continuum concerned with how to rejuvenate an organisation (change) and yet not demoralise its loyal workforce (stability)” (Swanepoel 1998; 734).

6.4 Conclusion

A workplace policy, no matter how good it may be, requires top management commitment in order to be effective. Findings of this study, however minimal, have shown that the majority of employees in Eskom are not even aware of the Whistle-blowing policy in place. The same finding can be generalised to management alike. People are regularly trained on organisational ethics and to a large extent induction courses within Eskom provides such training. Despite so much effort by the organisation to minimise corruption and fraud it would seem that there are some grey areas that still need to be addressed. According to Maylor (2003) firms frequently run training courses for their people with very varied rates of success. Some courses cost organisations a salary of a person for a week, the course fee and accommodation, plus travelling expenses, and yet derive no noticeable benefit.

Training therefore needs to have a relatively immediate application if it is to be worthwhile. This includes a group of people who will be able to work in the new method, once they've been trained. 'Top management must realise that change requires a critical mass – that is, it has been suggested that for any change to occur in processes, over 80 per cent of the people working in those processes must be capable and willing to make the necessary changes' (Maylor 2003; 351).

While there might be many factors attributed to the failure of whistle-blowing in Eskom, it must be understood that whistle-blowing is a fairly new concept. Therefore cultural change and top down support is a solid foundation for the emancipation of workers and the organisations alike.

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Appendices

A note to the respondents

Questionnaire

Dear Sir/Madam

My name is Jabulani Masuku. I am a student currently studying Project Leadership & Management Masters Degree through University of KwaZulu Natal. Part of my research methodology course requires me to carry out a research study of my choice. Consequently, I have decided to explore the efficacy of whistle-blowing and management of whistle-blowing and understanding in Eskom Distribution within the Eastern Region. The questionnaire is very simple with only 8 questions which will require you to choose one response to a series of questions. It also caters for individual comments, should you wish to elaborate. There are no wrong or right answers and questions 6 and 7 only require your personal opinion. Attached to this cover letter should be a questionnaire for you to complete. Please complete the questionnaire as completely and honestly as possible.

Once you have completed the questionnaire kindly place it back in the envelope in which it came and I will make time to collect it. The questions should take no more than 10 – 20 minutes of your time. Please note that all responses will be kept in the strictest confidence, no identifying information is required and consequently all groups involved will remain anonymous.

This questionnaire is completely voluntary and you are free to complete it in part or not at all. Kindly return it to me on or before 05-08-05.

Thank you for your time and co-operation in helping me conduct my research

Yours sincerely

Jabulani Masuku

Whistle-blowing in the Eastern Region

Title (i.e. Mr, Ms, Mrs, Dr, Prof):

Mr	Mrs	Ms	Dr	Prof

Location & Workstation (i.e. Eastern):

New Germany	Westville	Westmead

Number of years employed by Eskom:

1-5 Year(s)	5-10 Years	10-20 Years	20 yrs & above

1. In your experience within Eskom have you ever witnessed any incidents related to organizational malpractice. (e.g. corruption, fraud, abuse of power, nepotism etc)

Yes	No	Don't know
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Comments:

2. Do you know of any initiative, policy, directive or Act that is aimed at fighting workplace corruption in Eskom?

Yes	No	Don't know
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Comments:

3. In your opinion, is Eskom doing enough to manage workplace corruption?

Yes	No	Don't know
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Comments:

4. Would you disclose information of unlawful conduct (e.g. fraud, corruption, organizational wrongdoing, abuse of power, nepotism etc.) committed by your colleague within the workplace?

Yes	No	Don't know
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Comments:

5. Would you be comfortable to report your senior (e.g. supervisor/manager) if She/He engages in unethical conduct? (i.e. fraud, corruption, organizational wrong doing, abuse of power, nepotism etc).

Yes	No	Don't know
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Comments:

6. If the answer to the question above is yes, who would you report Him/Her to?

Comments:

7. If the answer to question 5 is no, why would you not report them?

Comments:

8. Do you think that workers need to be rewarded for disclosing information of unlawful or corrupt conduct by their employers or fellow employees?

Yes	No	Don't know
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Comments:

Thank you for completing this questionnaire. Your inputs are very valuable.