

Increased Focus on Transparency

The new whistleblower laws offers benefits far greater than simply the protection of whistleblowers.

Corporate cultures of silence, which nurture the turning of a blind eye to wrong doing, only weakens the organisation's performance.

Strong governance on the other hand, which openly supports the reporting of wrongdoing, is evidence of governance aligned with high performance.

The most recent report of "Strength of organisational whistleblowing processes – Whistling While They Work 2 (Survey of Organisational Processes & Procedures 2016)", reported in July 2017, stated

"Again, while many organisations reported have a strategy for protecting staff who raise wrongdoing concerns, 22.8% (especially 32.7% of private businesses and 33.9% of not-for-profits) reported having no specific strategy, program or process for delivering support and protection to staff."

The challenge for boards and the leadership team includes how better to professionally managing the growing risks and cultural issues experienced by many organisations.

Without the embedded openness, then there will continue to be inadequate and fuzzy information flows to senior leaders and directors alike.

Every organisation, regardless of the law, should have proper internal processes for handling good or bad information. This to be at all levels of the organisation.

Remember, an effective information transparency, including a whistleblowing program, demonstrates your board's authentic commitment to fostering a robust governance regime within the organisation.

A story of "leadership dishonesty"

Commissioner Hayne's report into Misconduct in the Banking, Superannuation and Financial Services Industry is a shameful story of extraordinary leadership dishonesty.

Whatever their role – chairman, director, MD/CEO, senior executive,

professional advisor, business partner, industry/professional body, or in many of the other capacities, the organisations' leaders treated people dishonestly. It is an appalling governance story.

82 per cent of Australians consider leaders have a key role in influencing an organisation's ethical behaviour. Yet the then CEO of the Governance Institute Steven Burrell reported from a survey that "neither they (the leaders) nor their organisations are perceived to be very ethical."

Commissioner Hayne's report is a defining moment. It demands an immediate change in our governance practices. Society are entitled to have only those leaders who are prepared to address the systemic dishonesty which pervades our current governance practices.

Did Someone Mention Culture ... Again?

Sometimes it is easy to feel that professionally you are flying solo. There is a sense that a bigger game of cat and mouse operates and somehow, you're the cheese.

It's easy to observe that governments pass more or stricter regulations to plug loopholes, and employees then find new loopholes which exploit those new regulations; so, Groundhog Day is revisited.

When will enough people say that the fault is not in our laws but with us?

For is not Justice Neville Owen's question raised in the HIH Insurance Royal Commission of 2003 still valid: – Did anyone stand back and ask themselves the simple question – is this right?"

Importantly if something is to really happen then the hearts and minds of an organisation's leadership need to be aligned and committed. This is a fundamental start to sound governance, yet we know more must follow. For sound corporate governance is truly about what is done, accepted, ignored, rewarded, not tolerated, and lived with day-to-day by our leaders.

This does not need a written code of ethics; but it does need a lived experience. If leaders live the values, then an organisation's culture is positively nurtured. This in turn will successfully and effectively regulate the individual's behaviour and reflect what is the approved culture of the organisation.

Ultimately as a part of a collective this re-enforces all individuals to redouble their efforts as they can see it potentially makes a valued difference.