

Building the legitimacy of whistleblowers: A multi-case discourse analysis

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ABSTRACT

Evidence suggests society still does not view whistleblowers as wholly legitimate – despite legal protections now offered in some jurisdictions, such as the United States. Drawing on a discourse analysis, (i.e., an examination of statements), we investigate the well-publicized stories of seven whistleblowers from 69 sources, including books, first- and second-hand interviews, websites and videos. Our focus is to examine how whistleblower discourses can build legitimacy by more tightly defining the whistleblower role and demonstrating its alignment with social norms. Using whistleblower self-narratives, we identify four narrative patterns: (1) Trigger(s): the event(s) leading to whistleblowing; (2) Personality traits: whistleblower’s morality, resourcefulness, and determination; (3) Constraints: barriers requiring regulatory and organizational change; and (4) Consequences: the longer-term positive impact of the whistleblowing act. These patterns rely on symbolic, analogical, and metaphorical framing to allow others to better understand the role of whistleblowers and enlist their support. Exploring a dataset of 1,621 press articles, we find indications that these narrative patterns resonate in the media – which provide a form of support and may be instrumental in legitimizing the whistleblower role. Grounded on these results, we develop a legitimacy construction model of the whistleblower role, i.e., a representation of how role legitimacy is produced and sustained. From this model, we identify a number of important areas for future research.

Keywords: Whistleblowing; Fraud detection; Role definition; Discourse analysis; Legitimacy; Securities and Exchange Commission (SEC); Sarbanes-Oxley Act (SOX).

JEL descriptors: G3, M4, P1

1. Introduction

Numerous large-scale accounting and financial frauds during the last 20 years or so in the United States, including Enron and WorldCom, brought to light the role of whistleblowers as a crucial mechanism to detect and prevent fraud (Foley, Halper, and Mathews 2014). Whistleblowing “occurs when one or more individuals inform the public or someone in authority about apparent dishonest, illegal, or inappropriate activities” (Mudrack and Mason 2013, p. 644). In particular, interest in whistleblowing rose after *Time Magazine* nominated three whistleblowers as “Persons of the Year” in 2002 (Lacayo, Ripley, and Sieger 2002).¹ It further increased with the 2007-08 financial crisis, which sparked a crackdown on corporate corruption and collusion (Anonymous 2015, p. 65). In this paper, we assume that, although the legitimacy of whistleblowing has been enhanced by events surrounding these large scale frauds, it remains fragile. We investigate how self-narrated whistleblower stories can build and solidify the public legitimacy of the whistleblowing function by tightening the definition of the whistleblower role.

In recent years, support and acceptance of whistleblowers has changed in some policy-making arenas (Scott 2005). First, the Sarbanes-Oxley Act of 2002 (SOX) (U.S. Congress 2002) was introduced to deter further high-profile corporate scandals like Enron, WorldCom, and Tyco (Eaton and Akers 2007). The Act requires public company audit committees to establish a process to oversee whistleblowing tips. Then in 2010, the Dodd-Frank Act (U.S. Congress 2010) was established, including Section 21F, “Securities Whistleblower Incentives and Protection.” In practice, few whistleblowers were protected by regulatory authorities (Alford 2002), until the adoption of these acts changed the regulatory context. Accordingly, today whistleblowers have

¹ Sherron Watkins, vice president of Enron; Cynthia Cooper, vice president of internal audit at WorldCom; and Coleen Rowley, an FBI employee.

gained, to some extent, a form of legal legitimacy (Suchman 1995; Durocher, Fortin, and Côté 2007), as exemplified by the apparent successes achieved by the U.S. Securities and Exchange Commission (SEC)'s whistleblower program. In recent years, there was indeed a significant increase in the number of tips lodged with the SEC.² Some observers even consider whistleblowers “the most common, effective way to detect fraud” (MacGregor, Robinson, and Stuebs 2014, p. 35).

However, several researchers (e.g., Rapp 2012; Taylor and Thomas 2013) have pointed to a lack or inconsistent enforcement of regulations protecting whistleblowers. Whistleblowing is frequently perceived as breaching workplace loyalty (e.g., Gobert and Punch 2000, p. 52; Moberly 2006, p. 1155; De Maria 2008; Andrade 2015). Often, whistleblowers are unsuccessful and suffer from various forms of retaliation such as lay off, ostracism, or pressure from the upper hierarchy level (Alford 2002; Rehg, Miceli, Near, and Van Scotter 2008).³ Many face skepticism and are frequently labeled “informers,” “traitors,” “snitches,” or “tattletales.” According to ECI (Ethics & Compliance Initiative) (2016, p. 18), in the United States, 53% of employees reporting wrongdoing internally face some retaliation in the workplace.⁴ This high level of retaliation inside firms indicates true legitimacy has not been achieved. Furthermore, the difficulties whistleblowers face in resuming their careers once perpetrators have been found guilty of fraud suggests that, in many parts of society, the role is still not considered legitimate. Organizations fear implementation of a

² The number of tips lodged with the SEC: 2011: 334; 2012: 3,001; 2013: 3,238; 2014: 3,620; 2015: 3,923; 2016: 4,218. Source: <https://www.sec.gov/files/owb-annual-report-2016.pdf> (Last accessed: April 4, 2018).

³ For example, Claudia Ponce de Leon, a Wells Fargo general manager, blew the whistle in 2011 about a wave of fake accounts being created at her bank branch. She was terminated. (Source: <https://www.americanbanker.com/news/wells-fargo-fighting-order-to-rehire-whistleblower>. Last accessed: March 26, 2018). After several years of a well-publicized fight both sides reached a settlement in January 2018. (Source: <https://www.financial-planning.com/news/wells-ends-fight-with-whistleblower-in-fake-accounts-scandal>. Last accessed: March 26, 2018).

⁴ This phenomenon appears particularly severe in the United States as the equivalent percentage is 36% worldwide.

whistleblowing system might impair the work environment (Greenberger, Miceli, and Cohen 1987; Moberly 2006), and they argue it undermines corporate culture by encouraging secrecy, destabilizing management authority, and diminishing morale (Moberly 2006, p. 1155). Not surprisingly, Miceli, Near, and Dworkin (2009) highlight that there is room for improvement in the acceptance of whistleblowing inside organizations. Overall, in spite of some progress on the regulatory front, the extent of legal protection offered to whistleblowers remains limited (Rapp 2012).

In this context, we examine how the whistleblower role is promoted in order to gain legitimacy. In particular, the main research question guiding this paper is how whistleblowers may influence others' judgments through legitimizing narratives. We investigate how self-narrated whistleblower stories constitute a meaningful platform for establishing the legitimacy of the whistleblower function in the eyes of the public.⁵

We draw on Zelditch's (2006, p. 324) definition of legitimacy which describes it as when "something is natural, right, proper, in accord with the way things are or the way things ought to be. Anything can be said to be legitimate: acts, persons, positions, relations, the rules governing them, or any other feature of a group including the group itself." Thomas et al. (1986) and Zelditch (2006) maintain that individuals gain in legitimacy when there is agreement by others that their actions align with a morally binding norm. As Zelditch explains (2006, p. 340) "legitimacy cannot be created de novo, out of nothing. It requires a pre-given social structure of socially accepted values, norms, beliefs, purposes, practices or procedures."

⁵ The view that individuals and groups can be the object of legitimacy judgments is taken from the social psychology literature (Tost 2011).

We investigate the discourse (i.e., self-narratives) undertaken by seven prominent whistleblowers (Richard (Dick) Bowen [Citigroup], Frank Casey [Madoff], Cynthia Cooper [WorldCom], Harry Markopolos [Madoff], Weston Smith [HealthSouth], Sherron Watkins [Enron], and Michael Woodford [Olympus]) during the period 2001-2016. After producing evidence of the narrative patterns that emerged from our analysis of these whistleblower discourses, we evaluate their potential influence on targeted evaluators.

There are two types of evaluators based on whether the whistleblowing activity is public or not, i.e., before or after the fraud is common knowledge. At the time the individual is whistleblowing, the evaluator is someone who is potentially active and could presumably take direct or indirect action to stop the wrongdoing (e.g., a senior manager, internal auditor, external auditor, audit committee member, regulator, or journalist). We label this type as “ex-ante evaluators” because these evaluators could act before the fraud is made public. However, at the time the whistleblower is publicly telling the story, the evaluators comprise wider audiences in society, public opinion, collectives (e.g., professional associations), other potential whistleblowers, or some former ex-ante evaluators (e.g., a journalist initially contacted by the whistleblower when trying to report publicly). Given that the material produced by the whistleblowers can influence a great variety of actors, we label this type of ex-post evaluators “public opinion”⁶ or, in short, “the public.” Our focus is on the public for two reasons: (1) whistleblower self-narratives obviously target the public; and (2) ex-post evaluators (the public) may provide wider support for the legitimacy of whistleblowers and, as a result, they might act more diligently in fraud cases if, in the future, they find themselves in the position of ex-ante evaluator.

⁶ For a discussion on “public opinion”, see Cohen, Ding, Lesage, and Stolowy (2017).

Our aim is to better understand how self-narratives, i.e., stories that make a point about the narrator, help to define the whistleblower role and make more comprehensible her⁷ actions. A key argument of our paper is that legitimacy is tied to discourse (self-narratives). Several strands of research indicate legitimacy constitutes a central stake in today's society (e.g., Zelditch 2001, 2006, 2011). We also know that the processes by which legitimacy is built are complex and quite unpredictable (Moll and Hoque 2011). Many observers conceive of legitimacy as a "fit" between an entity's actions and utterances, and society's cultural values (Meyer and Rowan 1977). One of the key issues surrounding legitimacy in professional settings relates to a profession's role definition (or "jurisdiction" – see Abbott (1988)). Much energy is spent by professional members and associations in seeking to build, maintain and protect the legitimacy of their professional role (Sikka and Willmott 1995) – this often implies discourse (Whittle, Carter, and Mueller 2014). Accordingly, Power (2013) maintains these processes are loosely governed by grammar-like "rules" that play a role in the generation of legitimacy – bringing the relationship between discourse and legitimacy to the fore (e.g., Power (2013) explains how discourse about fraud risk contributed to the legitimacy of the risk management function).

First, we focus on the whistleblower accounts as disseminated through books, first- and second-hand interviews, videos, and their other testimonies available on the Internet to identify the main legitimizing patterns in their discourse. We study 69 sources to develop and apply our coding template. Examining whistleblower self-narratives is important because their accounts constitute a detailed source of information the public may use in order to *make sense* of the role and difficulties that characterize the whistleblowing function. The construction of meaning surrounding role definition matters, especially when it relates to actors involved in addressing

⁷ For the sake of simplicity, we refer to whistleblowers using the feminine pronoun throughout the paper.

complex social problems such as corporate fraud (Weick 1995). Second, we explore a dataset of 1,621 press articles to make sense of the extent to which these whistleblower narrative patterns resonate in the media, and to identify the existence of a possible supportive discourse from the media.

With the help of a coding tree⁸, we find whistleblower discourse is articulated around four narrative patterns that together constitute a platform for building role legitimacy. First, whistleblowers talk about the triggering events that led them to assume the role of informant; this staging of the first moments of the whistleblower journey may affect how the public comes to understand the role. Second, in the absence of an existing frame of reference, whistleblowers present their actions while promoting an image of morality, resourcefulness, and determination. They contrast the discussion about the morality of their own actions with those of the perpetrator(s) of the corporate fraud and provide detailed information about the nature of the fraud they witnessed. Third, whistleblowers highlight the constraints that must be removed for those responsible for fraud to be held accountable as quickly as possible. In their stories, they call for better conditions of receptivity toward whistleblowers including changes in the structures of authority inside organizations and other judgment-validation institutions such as the SEC. Fourth, whistleblowers talk about life after whistleblowing in positive terms. In the second to fourth narrative patterns, the whistleblower stories contain a wide variety of symbolic (e.g., a navigation instrument such as a compass), analogical and metaphorical (e.g., the image of a journey or

⁸ A “coding tree” is a representation of the “data structure” that emerges from qualitative analysis (see Dacin, Munir, and Tracey 2010, for an example of data structure). Coding is “the process of exploring the data for themes, ideas, and categories and then marking similar passages of text with a code label so that they can easily be retrieved at a later stage for further comparison and analysis. (...) Codes can be based on (a) themes or topics, (b) concepts, (c) terms or phrases, and (d) keywords found in data” (Edmonds and Kennedy 2017, psp. 325-326).

hunting) framing – which are involved in persuasively promoting the role and enlisting the support of the public.

We also provide initial evidence that several whistleblower narrative patterns were disseminated by the media and, consequently, the media could have an influence in legitimizing their role in the eyes of the public. We find indications that narratives describing how the fraud was uncovered, the whistleblower’s determination, barriers faced, and longer-term positive consequences of the act of whistleblowing resonate in the media, therefore constituting a kind of springboard through which role legitimacy could be established in the eyes of the public. Grounded on these results (Glaser and Strauss 1967; Strauss and Corbin 1994), we develop a legitimacy construction model of the role.

Our study makes several contributions to the literature. First, our in-depth study of seven prominent cases extends the literature on whistleblowing. We include a detailed literature review on whistleblowing in online Appendix A.⁹ The literature can be articulated into seven main research topics: legal aspects, determinants and incentives of whistleblowing actions, consequences of whistleblowing, corporate governance, justice, auditors/accountants, and best practices. Our study relates to several of these topics. In terms of case analyses, Dyck, Morse, and Zingales (2010) examine 216 contemporary fraud cases to identify corporate governance factors that created incentives for the act of whistleblowing. The data on whistleblowers used in their statistical analysis were mostly derived from press articles. Unlike Dyck et al. (2010), the seven cases we study are “exceptional” due to the level of public awareness (see, later in this paper, the extent of press coverage) and by the availability of original statements from the seven

⁹ Please see “Appendix A: Literature review on whistleblowing,” available in the Supporting Information section of the online article.

whistleblowers (first- and second-hand interviews, books). As Stolowy, Messner, Jeanjean and Baker state (2014, p. 360) about the Madoff fraud, “it is often with the help of ‘extreme cases’ (Flyvbjerg 2001) that we can better understand some basic mechanisms that are of general relevance but are difficult to discern in ‘average’ cases, where they appear in less visible forms. Cooper and Morgan (2008) emphasize the potential of extreme cases to further our understanding of accounting phenomena.”

Second, we argue our findings may be particularly relevant for accountants and professional accounting bodies, especially since whistleblowers have the potential to be important actors in processes that underlie the corporate governance mosaic (Cohen, Krishnamoorthy, and Wright 2002; Cohen, Krishnamoorthy, and Wright 2004). For instance, if whistleblowing is considered legitimate, it may have implications for the role of internal auditing in ensuring fraud management policies are effective. To what extent do internal auditor practices facilitate whistleblowing? To what extent should whistleblowers expect to find relevant help when contacting the internal audit function? As mentioned by the Chartered Institute of Internal Auditors (Collective 2014, p. 3) “there are dangers and potential conflicts of interest that need to be considered in determining internal audit’s role [in supporting whistleblowing].”

Third, our study focuses on understanding how the legitimacy of a fraud-control mechanism is promoted when the individuals involved are not part of an organized group (Zelditch 2011). Most accounting studies using the concept of legitimacy analyze it at the level of organizations (Durocher et al. 2007) (with a few exceptions such as Robson, Humphrey, Khalifa, and Jones (2007) on audit technologies and O’Dwyer (2011) on information assurance). We are interested in the construction of legitimacy by individuals or, more precisely, by a group of uncoordinated and disconnected people. In this regard, our study differs from prior work which focused on the

legitimization of a collective role representation such as Wry, Lounsbury, and Glynn (2011) and David, Sine, and Haveman (2013). For instance, a core thesis of Wry et al.'s (2011) work is that a “nascent group of actors agree on a collective identity defining story” (p. 450). Yet, there is no evidence of such collective efforts by whistleblowers. Thus, our study makes an original contribution to the literature focused on the processes of legitimization through its concern with the work of unconnected individuals used to gain legitimacy for a new “joint” role definition.

The remainder of the paper is organized as follows. Next, we develop the core concepts of our theoretical underpinnings. The subsequent section describes our research approach and methods. Then, after providing some empirical background information, we analyze the whistleblower stories to understand how they frame their role through narrative patterns, potentially improving legitimacy. In a next step, we assess the potential resonance of these narrative patterns in the media. Finally, we discuss the various findings and provide a legitimacy construction model of the whistleblower role – from which we elaborate some suggestions for further research and policy implications.

2. Theoretical underpinnings

This paper is concerned with understanding the legitimacy of whistleblowers. We conceive of whistleblowers as evaluatees, whose claims and representations are assessed judgmentally by the audience – i.e., the public. Until the series of corporate frauds in the first decade of the new century, whistleblowers were a “rare breed” (Porter 2003) and as a consequence, there were no norms for guidance on legitimizing their role as socially-relevant fraud disclosers.

This paper analyzes the construction and legitimization (Berger and Luckmann 1967) of the whistleblower role. It is based on the following reasoning: Whistleblowers focus on various topics we consider theoretically as part of a discourse that may legitimize the whistleblower role. We

identify the main narrative patterns, as found in discourse (self-narratives), that may legitimize not only individual whistleblowers, but also, more broadly, the whistleblowing function.

Legitimacy deficit

The legitimacy surrounding the role of whistleblower is “co-produced” (Power 2003, p. 380), through evaluatee discourse and action and evaluator judgment. Bitektine and Haack (2015) argue that to understand legitimacy judgments, one needs to pay attention to evaluator actions toward whistleblowers. Their legitimacy judgments may engender significant consequences, particularly if evaluators decide to modify the resources they provide (Moll and Hoque 2011).

For whistleblowers, establishing legitimacy is not a simple matter. Those who make legitimacy judgments (the public, in our paper), may not understand the role of whistleblowers given the existence of other legitimate corporate governance mechanisms, including internal auditing, risk management, and control systems. In particular, the whistleblowing role in the corporate (financial) fraud area has the potential to challenge the boundary claims of various interest and professional groups, and as a result, its validity may be contested. A second reason we expect individual whistleblowers to face challenges: it is unclear what makes them qualified to make a valid judgment against authorities and to go public with that judgment (MacGregor et al. 2014). Whistleblowers are not trained reporting professionals, and they are compelled by circumstances to serve as reporters (MacGregor et al. 2014, p. 36).

A third reason whistleblowers may find it difficult to attain legitimacy is that they make claims against the financial conduct of those in positions of authority. Their claims will be stacked up against those of other legitimate institutions (see Richardson 1987). Anecdotal evidence suggests the absence of qualified audit reports, controversial analyst reports, or litigation may make it harder to convince others that acts of fraud have occurred (e.g., Stolowy et al. 2014). Opponents of

whistleblowers sometimes argue opportunistic motives may be responsible for whistleblowing behavior. For instance, whistleblowers may try to exact revenge on a colleague, or make unfounded or false claims, hoping to benefit from some reward or enhanced status (Gobert and Punch 2000; Schmidt 2005). Thus, for whistleblowing to be considered legitimate, private opinions need to change regarding the legitimacy of those in positions of authority and the legitimacy of the rules and institutions they oversee.

In summary, a core assumption of this paper is that the legitimacy of whistleblowers is fragile. Previously, there were few laws protecting whistleblowers. Inside organizations, whistleblowers may experience threats prompting them to leave their workplace, and in many cases, they were forced to leave the job market. The effectiveness of recent regulation in protecting whistleblowers is an open question. Prior research indicates regulatory mechanisms may be insufficient for establishing an effective network of protection around whistleblowers, given the complexities of organizational dynamics (Edelman 1992) or even the prospect of “negative compliance” (i.e., the development of behavior that aims to circumvent the objective of a given regulation) (Mun 2016).¹⁰

Discourse and legitimacy

In Ashforth’s (2012, p. 42) terms, the role of the whistleblower may be described as “weak” or “one that is not widely shared or densely articulated.” Until recently, due to the lack of clear guidance on the whistleblower role, this role is mostly incoherent, and those who adopt it are required to shape the role such that it is viewed as valuable and legitimate to others. As a result,

¹⁰ For instance, the protection offered to whistleblowers in substance is reduced by the formal administrative complexity of some legislation (e.g., SOX allows only a short time period for whistleblowers to file a civil suit against their employer after retaliation) (Sinzdak 2008). The issue of law being rendered merely symbolic whether by design or default is not recent (see McBarnet and Whelan 1991).

the whistleblowers have no choice but to self-impose or self-select what they view as valid ways to act, not knowing whether or not evaluators such as the public will find their actions consistent with social norms. Although evaluatees may become storytellers for various reasons, a legitimacy deficit (i.e., lack of or insufficient legitimacy) may motivate evaluatees to engage in a legitimization process in order to promote some role definition.

We presume whistleblower self-narratives constitute legitimization accounts (see Brown and Toyoki 2013). By this, we mean discourse that a) justifies prior actions taken and gains support for the role and activities of the informant, both as a trustworthy individual and as a spokesperson for whistleblowing as a trustworthy governance mechanism; and b) provides a cognitive understanding of that role, including where it is positioned within the institutional ordering of the corporate governance system. That being said, some legitimacy studies suggest acts of altruism may help to reduce new arrangements from being evaluated as morally suspect (e.g., David et al. 2013). As indicated in the stories we analyzed, whistleblowers do not seem to be self-interested actors; seldom are they personally affected by the wrongdoing yet they have faced and continue to face ongoing struggles in convincing others both of the pragmatic and moral legitimacy of their role.

For these reasons, we argue the processes mediating the legitimacy of whistleblowers are important from a theoretical viewpoint. Studying such processes may deepen our understanding of the links between discourse aiming to define and circumscribe the whistleblower role on the one hand, and the construction of legitimacy on the other. Accordingly, the present study builds on research focused on the relationship between storytelling and legitimacy (e.g., Lounsbury and Glynn 2001; Suddaby and Greenwood 2005; Wry et al. 2011; Garud, Schildt, and Lant 2014; Bucher, Chreim, Langley, and Reay 2016).

By providing selective but detailed accounts of what went on, whistleblower narratives may be understood as helping others to imagine how they themselves might detect different kinds of wrongdoing or fraud and to consider what they would do about it. Detailed accounts can also reduce the cognitive energy others must allocate in reassessing their own legitimacy judgments (see, for instance, Tost 2011). Thus, in telling their stories, individuals seeking legitimacy try to offer counter-mobilizing ideas and argumentative devices to change the judgments of others about the legitimacy of the actions they have taken.

In particular, drawing on Cornelissen, Holt, and Zundel (2011), we maintain that whistleblower self-narratives, in order to increase the legitimacy of a given role definition, need to convey the idea to the public that those in positions of authority failed to act with integrity and care for others. For instance, in a study designed to understand the psychology of legitimacy, Tyler (1997, p. 325) found that evaluators of legitimacy placed more importance on issues of integrity than issues of competence.¹¹

Potential implication for the legitimacy of whistleblowers and whistleblowing

Similar to Bitektine and Haack (2015) and Tost (2011), we see legitimacy as a judgment – in our case on an individual by other persons in terms of the extent to which her actions are “desirable, proper, or appropriate” (Suchman 1995, p. 574). However, we also see a judgment on the claimed role of a whistleblower by judgment validation institutions such as the media and regulatory institutions such as the SEC.

Drawing on Sztompka (1999), we maintain that legitimacy conferred to a given object overlaps with other objects. That is, there are relationships between legitimacy vested in a given object of

¹¹ Empirically, a sample of adults in the city of Chicago were interviewed by telephone about a recent personal experience involving a supervisor.

legitimacy and legitimacy vested in other surrounding objects, with transfers of legitimacy between these different objects changing over time (Barrett and Gendron 2006, p. 634). Accordingly, while the whistleblower stories we analyze may establish the legitimacy of the actions taken as whistleblowers, they also relate to the whistleblowing function as a broader institutional category.¹² For instance, Stets (2006, p. 88) explains that “we can look at the patterns of behavior across individuals to see how these patterns fit with the patterns of others to create larger patterns of behavior. It is these larger, inter-individual patterns that constitute social structure.” This is why we assume a whistleblower’s self-narrated story can influence the legitimacy of whistleblowing through associations the public will make between the narratives and the collective definition of the whistleblowing function. In other words, self-narratives are socially oriented since they may help establish a collective role definition, validating it, building legitimacy for it, and garnering support for it.

3. Research approach and methods

Our interest in this study is the role of “well-publicized whistleblower stories” in building and maintaining the legitimacy of whistleblowers, which we investigate through discourse analysis. Discourse consists of an ensemble of ideas and practices that specify “acceptable” ways of talking about a given phenomenon (Foucault 1978). Discourse spreads in society through a diversity of channels – including stories, documentaries, newspaper articles, movies, and so on. Drawing on sociologically-inclined literature, we maintain that a significant part of societal learning occurs through the circulation of stories (Weick 1995; Czarniawska 2004).

¹² As a result, in the paper we refer interchangeably to the notion of whistleblower or whistleblowing function when talking about whistleblower stories.

Discourse analysis aims to bring to the fore meaning conveyed through stories, text, images, and other societal artefacts (e.g., architectural style of a building). Meaning includes both manifest and latent content, which Berg and Lune (2012, p. 355) define as follows: “manifest content is comparable to the surface structure present in the message, and latent content is the deep structural meaning conveyed in the message.” While discourse analysis is characterized with a diversity of approaches (Hardy 2001), this divergent, sometimes conflicting, literature assumes human beings are continually seeking to make sense of their lives – and that human sense-making can be particularly influenced by discourse disseminated through text, images, and stories (Hall 1997). Discourse analysis is often thought to be especially relevant in studying how perceptions of social reality are constructed and maintained (Chia 2000). Importantly, the sociologically-based literature increasingly recognizes that discourses intertwine with the material world – in that discourses can exert a significant influence on how bodies, objects, spaces, and practices are represented, experienced, and enacted in society (Hardy and Thomas 2015). To analyze discourse is therefore a relevant and ambitious undertaking. Discourse analysis has been frequently used in certain areas of accounting research. For example, Lee and Sweeney (2015) analyze the use of discretionary environmental accounting narratives to influence stakeholders (for a review, see Beattie 2014).

Drawing on this literature, we presume stories, images, and texts constitute tools that can build, in the public eye, a sense of legitimacy surrounding whistleblowers. Specifically, we rely on discourse analysis to examine the role of images and figurative language stemming from well-publicized whistleblower stories. Our analytical emphasis is on publicized stories promoting common sense views that may play a role in the construction of whistleblower legitimacy.

For Preston, Cooper, Scarbrough, and Chilton (1995), discourse can serve as “legitimizing devices” and Hardy, Palmer, and Phillips (2000) argue that discourse is one of the main strategic

forms companies use to legitimize their actions. Further, the configuration of beliefs upon which the legitimacy of whistleblowers is established must be maintained once created (Lawrence, Suddaby, and Leca 2009). The media may play a central role in the process, given their ability to construct sense (Hall 1997) and “manufacture” beliefs (Herman and Chomsky 1988). The point is that the media disseminate views and thoughts to which the audiences are exposed, which individuals may then employ in constructing their own views of the world or in reproducing the views of others (Chwastiak and Young 2003).

Discourses, therefore, can be viewed as interventionist projects (conveyed, for instance, through persuasive stories) that lead to stabilize “attributions of meaning and orders of interpretation, and thereby to institutionalize a collectively binding order of knowledge in a social ensemble” (Keller 2013, p. 2). Discourse analysis implies an analysis of power – given that text and images can shape people’s understandings of the world and affect behavior though not in a deterministic way (Chwastiak and Young 2003).

Drawing on this perspective, our analysis centers on the construction of meaning surrounding whistleblowing – including the attribution of roles to the actors involved, how morality and lack of morality are mobilized, and the showcasing of longer-term consequences ensuing from the whistleblowing act.

Scope of data collected

Our empirical evidence relates to the “well-publicized stories” of whistleblowers, conveyed in English through books, first- and second-hand interviews, conferences, and websites. Our material consists of both text and images. We were aware of several prominent whistleblowing cases, which we included in the scope of our analysis. To be exhaustive, we also identified additional cases while browsing the Internet using search terms like “whistleblower,” “fraud,” and “informant.”

More specifically, our selection of cases is based on the following criteria: a) inclusion of whistleblowers involved in accounting or financial fraud cases; b) exclusion of whistleblowers with no significant public statements available (books, videos...): e.g., Matthew Lee, Lehman Brothers (Devine and Maassarani 2011, p. xviii); Roger Barnes, Fannie Mae (Devine and Maassarani 2011, p. 51); Jared Bowen, Walmart (Devine and Maassarani 2011, p. 297); and David Welch, Bank of Floyd (Devine and Maassarani 2011, p. 320).

As a result of this screening, our empirical inquiry concentrates on the following seven cases: (1) Bowen (Citigroup), (2) Casey (Madoff), (3) Cooper (WorldCom), (4) Markopolos (Madoff), (5) Smith (HealthSouth), (6) Watkins (Enron), and (7) Woodford (Olympus).

Table 1 provides a brief synopsis of each whistleblower's story. The whistleblowing literature makes a general distinction between internal (i.e., reporting to someone within the firm) and external (i.e., reporting to someone outside the firm) whistleblowing (Dworkin and Baucus 1998; Sinzduk 2008; Park and Blenkinsopp 2009). The literature (e.g., Culiberg and Mihelič Forthcoming) has also introduced another distinction: individuals who work inside the organization and report wrongdoing are "inside whistleblowers." Conversely, people who disclose wrongdoing but are not part of the organization where it occurs are outside whistleblowers. Our seven cases represent a mixture of the different positions. Bowen, Cooper, and Watkins can be classified as insider/internal whistleblowers; Smith and Woodford as insider/external; and Casey/Markopolos as outsider/external.

Insert Table 1 About Here

We limit our analysis to material featured in the personal accounts of whistleblowers. We posit their own words constitute statements that may be credible and influential in the eyes of the public, as a result of their often emotional, lively, and exhaustive nature. Our inquiry is therefore

predicated on the following empirical material (see online Appendix B for a comprehensive enumeration of the 69 sources of material we constituted): a) whistleblower websites; b) whistleblower autobiographies when available (Watkins 2003; Cooper 2008; Beam and Warner 2009; Markopolos 2010; Woodford 2012);¹³ c) our interviews (see below); d) written interviews with others; and e) public videos (e.g., interviews, presentations at universities, conferences).¹⁴

We also ensured that the seven cases, by and large, were constructed as “well-publicized stories,” which we assessed through the quantity (see online Appendix B) and nature (e.g., books, videos) of available material.¹⁵ We acknowledge a limitation of the approach we use: among the seven cases we study, two whistleblowers are not primary whistleblowers but secondary ones. Both Woodford (Olympus) and Cooper (WorldCom) received some information from a primary whistleblower. However, these two individuals are well-known for being whistleblowers, and we do not find any evidence to suggest their approach to storytelling is different from those who observed fraud first-hand.

In a second step, as we recognize press articles play a significant role in society as producers and conveyers of meaning (Cohen et al. 2017), we analyzed 1,621 press articles to explore the potential influence of these whistleblower stories.

Interviews

We contacted the seven whistleblowers by e-mail or through a contact form on their websites, providing them a brief summary of the research project. Four whistleblowers accepted an invitation

¹³ Written by the whistleblower herself or with a journalist or colleague.

¹⁴ The seven whistleblowers are not entirely homogeneous because one whistleblower (i.e., Smith) was involved in the fraud before engaging in whistleblowing. However, our empirical analysis reveals that Smith’s position as a repentant sinner does not significantly change the underlying nature of his narrative patterns nor does it affect the supportive discourse in the media relative to the other whistleblowers.

¹⁵ For example, one testimony of Markopolos (https://www.youtube.com/watch?v=uw_Tgu0txS0) has been viewed 144,785 times on YouTube (as of April 4, 2018).

to have a conversation with us. One answered negatively, and two failed to answer our attempts to contact them (including through their publishers). Given that the four interviewees were located in different cities of the United States, we conducted each interview by telephone (all were made by the same coauthor).¹⁶ Our main purpose in conducting these interviews was to obtain some deeper information on the whistleblowing journey. Each interview significantly resonates with the individual's self-disclosures gleaned from documents and videos.

The interviews were carried out between November 2014 and July 2015. We followed the interview guide shown in online Appendix C. We sought to ask the same questions in all interviews, but we also asked additional questions that made it possible to delve deeper into their views. At the end of each interview, we ensured all the main elements included in our listing of predetermined themes had been covered. The interviews were recorded with the approval of the participants; they lasted, on average, 30 minutes, and were subsequently transcribed. Given that their cases were already well-known, the interviewees accepted that the verbatim extracts from the discussions included their names.

Data analysis

For the first step of our research (whistleblowers' stories), the analysis took place in two stages. In keeping with a grounded theory approach (Glaser and Strauss 1967; Strauss and Corbin 1994), we first read and coded the books (when available), using a coding scheme we developed inductively (see online Appendix D).¹⁷ We sought to identify the main trends and patterns in the storytelling,

¹⁶ Given the sensitivity of the subject matter, we thought one-on-one interviews were appropriate – potentially facilitating the interviewee's comfort. The main objectives of the interviews were to gather some supportive evidence regarding the whistleblower's written story, and to obtain additional detail. Interviews were conducted by the same coauthor to ensure consistency in the questions asked, which facilitates the empirical analysis. However we acknowledge it may have limited the potential number of follow-up questions asked compared to several researchers conducting the interviews.

¹⁷ The grounded theory approach (or close variants) has been used in accounting research (Gibbins, Richardson, and Waterhouse 1990; Beattie, Fearnley, and Brandt 2004).

as well as secondary themes. We paid attention to the role ascribed to the whistleblower, the metaphors used by the author(s) to define characters, how claims of morality and immorality are attributed to the actors, and how linkages are developed between accounts of the whistleblower's childhood and her subsequent whistleblowing behavior. After that, for each book, we developed a summary narrative that stressed the most important patterns identified.

The second stage involved the development of an exhaustive coding template from the conclusions that emerged in the first stage and from the legitimacy literature we were then reviewing. We then used this template to code the rest of the material. In carrying out our analysis, we were aware that meanings are not conveyed homogeneously across society. As a result, we focused our investigation on what appeared to us as dominant lines of thought developed by the authors. As a team of authors, we discussed themes emerging from our analysis of the whistleblowers' discourse, to ensure they are indeed significant and sufficiently grounded in the data.¹⁸

As the material studied is based on self-narratives, we cannot neglect the possibility that these whistleblower stories suffer from hindsight bias and that a commercial incentive motivated their narratives through selling books and/or compensation from conferences.¹⁹ This raises more generally the question of the credibility of their stories. The literature on source credibility (Alexander and Tate 1999) has identified five criteria users employ when assessing the credibility

¹⁸ During the coding, the identification of first order categories was a collective effort among the research team. No significant feeling of discomfort stemming from disagreements among authors emerged in the process.

¹⁹ Data about book sales is not publicly available. We estimate book sales through Amazon's Book Sales Calculator (<http://www.tckpublishing.com/amazon-book-sales-calculator/>) (Last accessed: April 4, 2018). We found that these sales are relatively low. They range between 408 (Markopolos 2010) and 72 (Beam and Warner 2009) per year. These figures should be taken with great caution as they only apply to sales on amazon.com and represent averages. From these figures, it appears that financial benefits related to books are not material. For conferences, because the public interest in these corporate frauds is likely to decrease over time, the potential financial rewards associated with talks at conferences are also likely to decrease with time. In addition, whistleblowers are often solicited by academic institutions and journalists. We posit that academic institutions have limited resources to compensate whistleblowers.

of online information: authority, accuracy, objectivity, currency, and coverage (Metzger 2007). Gardner, Benham, and Newel (1999) provide a definition of each criterion. *Authority* is related to the absence of doubt about authorship and to credentials of the author. *Accuracy* refers to the reliability of information. *Objectivity* means that the information is presented with the least possible bias. *Currency* is related to the up-to-date feature of information. Finally, *coverage* is a clear definition of the scope of the source.²⁰

Although these criteria relate to the assessment of the credibility of website sources, they may help ascribe overall cognitive authority to any information source (Fritch and Cromwell 2001, p. 500) and we rely on them to assess the source credibility of the whistleblowers' stories. Given the existence of other information available about these stories (and about the frauds they relate to), it is evident that four of the criteria are met: authority, accuracy, currency, and coverage. However, we admit assessing objectivity is more challenging; whistleblowers may have had a bias in disclosing their stories as they want to legitimize their actions – and the public may have downplayed the significance of the self-narratives accordingly. That being said, our press analysis (see below) indicates only a few articles challenge the motivations of the whistleblower in engaging with the ex-post evaluator community (the public).

For the second step, we analyze the 1,621 articles we retrieved in Factiva to assess how the whistleblowers' stories were perceived by the press. The broad objective is to assess whether the press provides a supportive discourse for whistleblowers. In particular, we investigate whether or not some or all the elements corresponding to the main narrative patterns identified in the first step

²⁰ There is also an extensive literature on source credibility in psychology, in particular about the role of perceived bias and expertise (see, e.g., Birnbaum and Stegner 1979).

resonate in press articles. We also examine whether we observe residual challenges in building the legitimacy of the whistleblower role.

4. Gaining legitimacy through whistleblowers' well-publicized stories

Drawing from Dacin et al. (2010, p. 1402) and on the basis of our empirical material, we developed Figure 1 which presents our final data structure, showing the categories and themes from which we developed our findings and the relationships between them. This figure contains representative first-order categories, which underpin second-order themes and the main narrative patterns we identified.

Insert Figure 1 About Here

Our empirical findings regarding narrative patterns are arranged in four sections; each one representing a pattern we identified as part of the whistleblowers' storytelling. As such, one potential implication of these accounts is to motivate the public to re-evaluate its legitimacy judgment toward the particular individual narrating as well as whistleblowers more generally. One central feature of the stories is to define the role of the whistleblower more tightly.

Narratives may convince the public to empathize with individual experiences, so they consider reassessing their earlier judgments (Creed, Scully, and Austin 2002, p. 494). In arguing that the authorities in question were acting "illegitimately" and that, in comparison, the whistleblowers acted in a proper manner and should be supported (Suchman 1995; Zelditch 2006), the narratives frequently used metaphorical and analogical reasoning in their accounts (Cornelissen et al. 2011). Analogies and metaphors may allow others to understand better the proposed changes, in this case, pertaining to the whistleblower's role definition (Gioia 1986).

Trigger(s): The event(s) leading to whistleblowing

The stories specified in great detail the triggering events that led the individuals to assume the whistleblower role. The concept of “trigger” is important and common to all subjects. It implies individuals were brought into the domain of whistleblowing through one or several events that changed their daily lives – by setting off a process that transformed their existence dramatically. By their own accounts, the detection of fraudulent activities does not need the existence of an “exceptional” event and, thanks to the whistleblowers’ stories, the public may relive the events that led to the whistleblowing activities.

Specific triggering event

In Woodford’s case, the triggering event reportedly related to the lack of precise answers to questions he asked about important transactions the company previously undertook:²¹

There were questions to be asked, and I asked them within two days of getting back to Japan [to] the president and (...) the vice president, and when I saw their evasive behavior, their discomfiture, I knew at that moment there was something horribly wrong with the top of the corporation of which I was the president. (Woodford, video²²)

For Watkins, the impetus for her decision to speak up was linked to the resignation of Jeffrey Skilling, which confirmed in her mind doubts she had about the veracity of Enron’s financial accounts:

I understood of the fraud at the end of July of 2001. (...) I will (...) see the best way to confront Jeff Skilling about these Raptor transactions. And it was really just two weeks after I found the fraud that Skilling quit. He resigned August 14th, 2001. And that said two things to me: first that (...) if I had some doubts, I didn’t have them anymore, because (...) there was no good reason for him quitting. (...) It’s not like he had cancer (...) These transactions that I had discovered (...) had an expiry date of 2002 and 2003, and so my thinking

²¹ In interview and video transcripts, we replaced for the sake of readability some repetitive expressions, such as “you know” or “um”, by “(...)”. Underlined elements represent our emphases.

²² <https://www.youtube.com/watch?v=eEBlound460> (Last accessed: April 4, 2018). All videos are listed in Online supplement B.

was: “Jeff Skilling was just trying to leave the company before these things explode on him”, (...) just so he can say: “Look, when I left in summer of 2001, everything was fine.” (Watkins, our interview)

Having decided to blow the whistle on the acts of fraud they witnessed, some whistleblowers described how they acted quickly to try and keep the situation from worsening. For instance, the Watkins story explains,

The day after Jeff Skilling resigned, Sherron Watkins decided to make things right. She sat down in front of her computer and started composing a letter. (Swartz and Watkins 2003, p. 275)

Interestingly, by her own admission, Watkins mentions she took a similar approach less than a year before when trying to obtain answers about some activities taking place in the company, but was convinced by colleagues not to probe further.

Casey explains, in the Madoff fraud, the event prompting the whistleblowers’ action was the discovery of suspicious numbers when Markopolos attempted to replicate Madoff’s strategy. In this excerpt, competition is viewed as a structural feature that may be helpful in facilitating, to some extent, the detection of fraudsters.

Harry [Markopolos] built the models and proved it to me. So it was at that point, within four hours of coming back to Harry, that we shook hands and we were going to take this guy down. And blow the whistle on him. And the reason was initially that I was in a competitive situation with Madoff (...). However, we realized very quickly that if this fellow Madoff was doing what we thought he was doing, which was a total financial fraud, then it is impossible to compete against the fraud, because no matter what numbers we put up as returns, he would put up better numbers. (Casey, our interview)

Attention to primary whistleblowers

For Cooper, what forced her decision to blow the whistle were tips from co-workers.

It’s May, 2002. Glyn Smith, a senior manager in Internal Audit, saunters into my office (...) holding [an] (...) article called “Accounting for Anguish” (...) describing the ordeal of Kim Emigh, a former WorldCom financial analyst who was laid off [and who] complained about potential abuses related to capital spending. (Cooper 2008, pp. 220-221)

Woodford also paid attention to a primary whistleblower (Woodford 2012, p. 6) with the publication in the Japanese press (Facta magazine) of articles on suspicious acquisitions made by Olympus.

It is noteworthy, however, that although whistleblowers such as Cooper play a central role in the respective dramas we analyzed, their stories sometimes point to other whistleblowers involved in the same case. As a result, the “triggering event” is not always clear-cut in the storytelling.

Continuous triggering event

By his own account, Bowen refers to a sort of “continuous triggering event”:

So, in June of 2006 as I was attempting to get my arms around my new responsibilities and I discovered that 60 per cent of the mortgages that we were buying did not meet our guidelines, we were talking about some significant risk. And I started issuing warnings. I’ve sent e-mails[,] (...) weekly reports, I made presentations. I started yelling. (...) I knew that it was getting worse. I knew I had to warn the board of directors. (Bowen, video²³)

Smith identified a different kind of event that prompted him to blow the whistle. Unlike other whistleblowers, from the start, he was personally involved in the manipulation of financial statements, as per instructions of the CEO. It was the SOX certification requirement that, he said, made him realize the manipulations were just unacceptable and had to be brought to a halt.

At this time I learned that as CFO of the company I would be required under the new Sarbanes-Oxley legislation to sign certification documents attesting to the truthfulness of the company’s financial statements. The penalty for a fraudulent certification was monetary penalties and up to 20 years in prison. Saying that this spooked me would be an understatement. On July 12, I told Bill Owens²⁴ that I would not sign the certification statement, and if necessary, would resign before doing so. I knew that I was already potentially facing serious consequences for participating in the fraud, and I [...] simply had enough. (Beam and Warner 2009, p. 126)

In sum, the whistleblower stories indicate fraud detection is not limited to the actions of a few individuals possessing extraordinary capacities. By their own accounts, the whistleblowers are suggesting any person possessed of curiosity, determination, and inclination to follow their intuition has the potential to discover fraud and become a whistleblower. As a result, it can be understood that any number of individuals in organizations and financial markets are, to some

²³ <https://www.youtube.com/watch?v=DyFldyQ7plk> (Last accessed: April 4, 2018).

²⁴ Former CFO who became CEO when Weston Smith was appointed as CFO.

extent, able to detect fraudulent activity. Individuals with such positive personal characteristics keep on watching, at least in principle, for fraudsters; this feeling may be instrumental in conveying a degree of legitimacy to the whistleblower role.

Personality traits: Whistleblower's morality, resourcefulness, and determination

At the time when the whistleblowers we examined discovered acts of fraud, organizations tended not to have in place a clear set of rules for them to follow. This meant informants had to carefully consider their actions going forward. To influence the public about whistleblowing, whistleblower stories needed to provide convincing accounts that the sort of people they are and the actions they took are in keeping with socially accepted values (Meyer and Rowan 1977). For the whistleblowers we examined, these values were a sense of morality, resourcefulness, and determination.

A significant stream of literature has investigated the motivation(s) and personality of whistleblowers. From this research, it appears moral reasoning (Liyanarachchi and Newdick 2009), moral intensity (potential harm and social pressure) (Chen and Lai 2014), and emotions (Hollings 2013), among others, play a significant role in motivating the whistleblowers to act. The stories we examined resonate, to a significant extent, with these themes.

Morality

Much of each narrative focused on describing the kind of person the whistleblower is. It was common to refer to the morality of the work they were doing, using expressions such as “doing the right thing.” Such expressions are meant to signal the whistleblower’s quest is a noble one that will help to prevent or limit harm to others. This spirit of “doing the right thing” can help create or facilitate the creation of moral legitimacy (Suchman 1995).

On Bowen’s homepage (www.richardmbowen.com), a picture of a compass is juxtaposed with his name, consistent with the metaphor of the journey (see below) and the necessity of taking the

“right” direction (see Figure A1 in online Appendix E). He is, in other words, using symbols to emphasize his point.

Cooper’s story is consistent with a noble quest scenario:

Still, my instinct told me to press forward. I found myself at a crossroads. Looking back, I would take the same path again. But doing the right thing doesn’t mean there will be no cost to others, your family, or yourself. (Cooper 2008, p. ix)

Doing the “right thing” is also prevalent in the discourses of Watkins, Woodford, Markopolos, and Casey.

We were basically trying to be good people, good participants in the marketplace, and so, hero is a misnomer.

We did it, because we thought it was expected of us, because we were right. (Casey, our interview)

Also, their stories used “justice” as a marker of their morality. This term is sometimes mobilized in the storytelling to indicate an ethical commitment as well as a sense of modesty, in that the whistleblowers’ actions are shown as not being extraordinary – the actor’s behavior just being consequent with prevailing conceptions of justice:

I certainly wasn’t looking for personal credit. I was hoping for justice. (Markopolos 2010, p. 111)

By their own admission, another major factor shaping who they were was religion. Cooper’s discourse is one that stresses the role of the Bible in forming, during childhood, her way of thinking and sense of morality.²⁵

Without fail, each evening ended with Nannie Ferrel [Cooper’s nannie] taking her Bible from the nightstand.

(...) One of my favorite stories was Jesus telling the parable of the Good Samaritan. (Cooper 2008, p. 20)

Watkins also talks about the key role her faith played in forging her mind and in informing her behavior over the years:

[About religion] Most definitely it was important to me. In a number of ways (...) have you ever heard the saying (...) “Character is what you do when no one is looking?” (...) I sort of add to it that “Well, isn’t it

²⁵ Due to the composition of our dataset, the whistleblower stories indicate they were influenced by the Christian religion. However, this does not imply Christian moral values are more likely to push individuals toward whistleblowing. Rather, our analysis highlights the importance of religion, or more generally higher moral values, as a factor which is rhetorically emphasized in several stories we analyzed, in order to present the public with a plausible association between one’s moral values and the whistleblowing act.

easier to have character if you believe God is always looking?” (...) and you believe in (...) honesty, integrity because that’s what He asks of you. (...) I did feel like God is at my back (...) I was taking a course of action that was risky and scary, but God would be with me. (Watkins, our interview)

Interestingly, Watkins’ website (www.sherronwatkins.com)²⁶ represents religion as a key referent she continuously relies upon in daily undertakings. The section “My passion” displays a picture with a Christian cross and the text begins with the sentence, “I found God through the Enron debacle.” This is followed by Watkins explaining how her experiences were guided by her religious faith. It is also worth noting the Watkins website is dominated by the color light blue. Figure A2 in online Appendix E reproduces the website’s homepage; light blue characterizes the background, the wall on which Watkins leans, her clothes, as well as the sky above blueish mountains. In the Occident, blue is traditionally associated with Christianity and the power of royalty (Pastoureau 2001). In psychology, blue is a color associated with trust, honesty, and loyalty (Eysenck, Arnold, and Meili 1982, p. 185). As a result, it is not unrealistic to believe that the blue emphasized on the Watkins website is meant to signal resonance with the imagery of Christian morality, sturdy determination, and other personality traits such as honesty.²⁷

Recall that Smith engaged in fraudulent manipulations, under the guidance of HealthSouth’s CEO, but eventually decided to bring the scheme to a halt. The homepage of his website emphasizes a line metaphor through a succession of images that make it clear Smith’s discourse relates to morality (www.westonsmith.biz).²⁸ Specifically, through his website, Smith proposes companies and organizations invite him to speak on ethical boundaries. In a photograph, Smith

²⁶ We visited this website for the last time on February 20, 2017. At the time of the finalization of this paper (April 4, 2018), the website was no longer accessible.

²⁷ If our research shows that whistleblowers talk about religion to justify their course of actions, we acknowledge that some fraudsters may also use religion (or donations to charitable/religious causes) as an instrument to manage impressions (see Cohen, Ding, Lesage, and Stolowy 2010).

²⁸ We visited this website for the last time on February 20, 2017. At the time of the finalization of this paper (April 4, 2018), the website was no longer accessible but had been replaced by another website (<https://www.westonlsmith.com>) with slightly different content.

stands on a baseball field next to a chalk line (see Figure A3 in online appendix E). To the right of the photo, several captions appear. With one, the line disappears. The caption corresponding to this picture changes to: “Corporate greed has led to ethics without a line.” The baseball field is depicted in gray, as is Smith’s suit – as if crossing the line implies venturing into the kingdom of shade and evil. Again, the blue of his tie quickly catches the eye – a “tie” that can be viewed as a virtual link with the domain of morality, thereby reminding the individual of the dangers and moroseness of evil territory. The implicit message is that with sufficient introspection and reflexivity, the individual can maintain a sense of morality and make the right decisions in her professional life.

Difficulties

In the stories, several metaphors are used in ascribing a role to the whistleblower. The long and perilous “journey” is one of the most common metaphors used, along with the underlying role of “journeyer” indirectly ascribed to the whistleblower. The “journey” is meant to highlight the difficulties inherent in whistleblowing. According to Milne, Kearins, and Walton (2006, p. 810), the use of journey as a metaphor may be particularly compelling because it embraces change, as opposed to more static conceptions of social life. A sense of going through a challenging and unpredictable path indeed characterizes Cooper’s (2008) book, which even highlights the term “journey” in its title. This and similar terms, as the excerpt below illustrates, were an important part of the story she told and appeared repeatedly in her text. “It has been and will continue to be a rough road.” (Cooper 2008, p. 320). Woodford used similar expressions in his story:

What I need to do - with or without your help - is to get Olympus on the right road. I felt there was no choice but to continue what I had been doing since 14 October. Talking to the media. (Woodford 2012, p. 148)

The terms “journey” and “road” are meant to signal the extent of difficulties characterizing the whistleblower stories. They could not foresee a point at which the journey would end. They

would continue to try and shape people's understanding of the events as they unfolded and of their role in that process. By their own admissions, most whistleblowers felt this journey was more of a living nightmare. Cooper and Markopolos comment:

At some point through the nightmarish journey, I feared for both my safety and that of my family. (Markopolos 2010, p. 3)

Sitting in Bob's conference room with trial documents, I begin crying. It still feels as if I'm trapped in someone else's nightmare. (Cooper 2008, p. 328)

Emotions, therefore, characterize the undertaking of this difficult journey, in contrast to classic stories and accounts in the business literature which tend to emphasize imagery of calm and rational decision makers in the face of adversity (Zey 1992). Whistleblowers, nonetheless, continue the journey despite the extreme difficulties encountered thus showing their determination.

Determination, combativeness, character

Many whistleblowers included in their stories flashbacks and insights into the process by which they felt they had come to be endowed with moral strength and determination. These inclusions might strengthen the image of whistleblowers in the eyes of the public.

Many discussed their upbringing as necessary for understanding who they are. For instance, in her story, Cooper explains her mother played an instrumental role in inculcating her with pugnacity when facing intimidation threats:

"Don't ever allow yourself to be intimidated," [Cooper's mother] would say, (...) after we told her about someone bullying us at school. As much as any advice she gave, this was the lesson that helped me push through my fears and find my courage when I needed it most. (Cooper 2008, p. 14)

Woodford also emphasizes the role of his mother as a model of determination:

Despite being a single parent, my mum put herself through teacher-training college and was determined to better her family's prospects. (...) At the age of seven I had become the man of the house. (Woodford 2012, p. 83)

Some whistleblowers highlighted their character by describing the personal sacrifices that were at stake in choosing to bring wrongdoing to public attention.

I was convinced the whole vile business could lead to the break-up of our marriage. (...) However, that is the way I have always been – problems are there to be solved. What do I need to do to get from A to Z? I work out the route, surmount the obstacles and I get there. (Woodford 2012, p. 149)

The whistleblowers also accumulated evidence to convince evaluators inside and/or outside of the organization to reassess their legitimacy judgments of those in positions of authority. Some of the evidence was discovered by further investigative work. That was the case for Cooper, who followed up her suspicions by looking further into the accounting entries. Our point is that in representing the process they followed as evidence-based, these whistleblower stories present the public with a reassuring image of determination and meticulousness.

The whistleblowers also needed to be prepared for the counter arguments opponents would make. For instance, Cooper recounts how, when she began asking questions internally about the accounts, Scott Sullivan [WorldCom CFO] then tried to defend his position by making reference to his activities being consistent with accounting rules. Elsbach (2006) suggests responses involving reference to broad social norms or regulations are common when individuals are accused of wrongdoing.

Scott is in the office this weekend, working feverishly with one of his staff to compose a white paper defending his position. Like his arguments at the Audit Committee meeting, it will rely heavily on the “matching principle.” (Cooper 2008, pp. 258-259)

Other whistleblowers emphasized that the steps needed to blow the whistle were a team effort. This is particularly the case for the Markopolos story, where the whistleblowing is attributed to an outstanding team where work and internal cohesion were allegedly invaluable in combating evil. The first line on the front cover of the documentary based on Markopolos’ book “Chasing Madoff” (Prosserman 2011) is: “Meet the team that uncovered the truth behind the notorious crime”. Also, as Markopolos (2010, p. 169) wrote in recounting his tale: “The team kept me going through this endless series of disappointments.” He also made a point in his storytelling of explaining the type

of people in his team: “My investigation team (...) was comprised of four honest people with the shared belief that good ethics demands action.” (Markopolos 2010, p. 3)

Combativeness is another popular trait that can be found in the whistleblower stories. Chasing/hunting and military metaphors featured in the storytelling of Markopolos and Casey. In the documentary “Chasing Madoff,” the soundtrack is often consistent with the metaphor. Gun clicks and flame whooshes are heard (min 5:07 - 5:14, 7:50), gunshots are heard several times (e.g., min 24:00, 25:15), and Markopolos is seen with a gun several times (e.g., min 5:15, 45:00). It is also noteworthy that the copyright of the Markopolos book belongs to the company “Fox Hounds LLC,” the nickname often used by Markopolos to designate his teammates (Frank Casey, Mike Ocran, Neil Chalo) and himself (Anonymous 2013). In this book, Markopolos particularly refers to hunting and chasing in a way that demonizes the character of the fraudster to persuade others that person is devoid of morality:

I know he’s a sociopath, he is a psychopath, he is a stone-cold ruthless financial killer, a predator, he destroyed thousands of families, he took them literally from riches to rags overnight. And he insults his victims, he said: “I carried them for decades. And this is the gratitude I get!” And that’s typical of a white collar criminal. They always rationalize their behavior, and they feel no remorse. (Markopolos, video²⁹)

Casey also makes reference to combat when he explains how the team overcame the feeling their efforts were wasted:

We were constantly on the chase because it became a game of intellectual challenge and curiosity. Every time the team would begin to fade in their excitement to chase Madoff, Harry would rally the troops again, renew their effort. (Casey, our interview)

The “chasing metaphor” is interesting because it is developed using the lexical field around the concept of chasing. This type of metaphor is often referred to as an “extended metaphor” (Montgomery, Durant, Furniss, and Mills 2012, p. 130) because it is repeated throughout the text.

²⁹ <https://www.youtube.com/watch?v=d7F3NkVZ4Ww> (Last accessed: April 4, 2018).

Combativeness is also conveyed through the military metaphor. Markopolos mobilizes military images quite frequently – sometimes representing the whistleblowing team in quite a heroic way, willing to do whatever it takes to defend the victims of white-collar crime:

The four of us were the last and unfortunately only functioning line of defense between Madoff (...) and [his] victims. (Markopolos 2010, p. 3)

As indicated below, danger always lurks around the corner, with a new enemy to combat once a first mission is accomplished. The underlying, implicit message is that combative whistleblowers are indispensable to the smooth functioning of our political economy, not only to drive out fraudsters but in ensuring that regulatory institutions are seriously committed to monitoring:

We'd won the biggest battle, but we hadn't won the war. I believed the SEC remained a serious danger to the American people. (Markopolos 2010, p. 216)³⁰

Similarly, Casey relies on the military metaphor and develops a link between the morality of the Madoff whistleblowers and his and Markopolos' military past, which instilled in their minds a sense of duty to fight and report wrongdoing:

Harry and I are both ex-military officers. We believe in duty, honor and country. And it was our duty (...) and our honor was at stake if we did not report a scam. (Casey, our interview)

Woodford also uses military metaphors in telling the story of Olympus:

Whatever I might be accused of later (...) would be nullified because I had copied³¹ the world's senior partners at Ernst & Young, making it impossible for anyone to suggest that I could be silenced thereafter by offering me inducements. It was a tactical process; it was almost like war. (Woodford 2012, p. 47)

An imagery of heroism is even developed and stressed in Woodford's depiction of his journey fighting fraud at Olympus:

And that day and those which followed were filled with interviews – the Japanese media were insatiable. Now I was seen as the hero, and Kikukawa [Chairman of Olympus] the villain. (Woodford 2012, p. 145)

³⁰ Limited funding during the Bush administration may explain the alleged ineffectiveness of the SEC with regard to the Madoff fraud (<https://www.reuters.com/article/obama-budget-sec/preview-u-s-sec-fdic-may-get-funding-boost-in-obama-budget-idUSN2533074420090225>) (Last accessed: April 4, 2018). Our analysis is aimed at identifying the main narrative patterns on which the whistleblower discourse is built. We do not seek to evaluate whether or not their claims are well-founded.

³¹ Woodford reportedly sent a copy of the incriminating information he had to Ernst & Young.

In the stories we studied, heroism sometimes implies a feeling of compassion toward the victims – such as in the Markopolos or Cooper accounts:

It wasn't much compared to what Madoff's victims had lost, but at least they would know that someone cared about them and the SEC leaders were not going to walk away unscathed. (Markopolos 2010, p. 233) Hundreds of thousands of shareholders lost all or [a] portion of their retirement. Any people in Mississippi had invested everything they had in WorldCom stock because it was the only Fortune 500 company in the State. (...) Watching all this suffering (...) Behind all these frauds, there are (...) heartbreaking stories of people who lost everything. (Cooper, video³²)

These excerpts highlight a strong commitment to accountability by the whistleblower, who somehow feels responsible for the wellbeing of investors in financial communities. From this perspective, the central message is not ultimate effectiveness in bringing down fraudsters but doing one's best in trying to do the right thing, as a result of a feeling of caring that individual investors should be treated fairly in their financial dealings. As maintained by Casey,

When (...) Harry and I would speak, [investors] would come up, and you knew they were victims without them saying so. They would shake your hands with their two hands and they would say, "Thank you for trying." And I will tell you, it brought tears to my eyes. And it still does, when I come across a victim, who would announce himself to me. And it is because we were trying to be good guys in the industry. (Casey, our interview)

Overall, these positive characterizations convey a sense of effectiveness and even heroism surrounding whistleblower acts.³³ The whistleblowers cast themselves as being able to make a difference and, as a result, to claim legitimacy for their role.

Such passages, which verge on the claim of heroism, contrast with others which emphasize modesty. The whistleblowing stories are not always consistent, both between and within cases. Of course, uniformity was not expected given the unpredictable and ramifying processes by which discourses develop and circulate in societies (Hall 1997).

³² <http://www.c-span.org/video/?201829-1/book-discussion-extraordinary-circumstances> (Last accessed: April 4, 2018).

³³ Again, we do not seek to evaluate whether or not the whistleblowers' claims are well-founded.

While whistleblowers are not trained as private detectives or reporting professionals, some characterize themselves as having some deeply-ingrained abilities, which reportedly played a key role in their decision to blow the whistle and subsequent actions. Markopolos insists his mathematical skills, for instance, helped him uncover Madoff's Ponzi scheme. His trail of evidence, which included a set of his own calculations, motivated him to convince others that the calculations were credible and replicated Madoff's strategy. In telling his story, he reminds the reader repeatedly of his quantitative skills.

I turned out to be a natural in math. (...) I'm a quant, which is the slang term for a quantitative analyst. Basically, that means I speak the language of numbers. Numbers can tell an entire story. I can see the beauty, the humor, and sometimes the tragedy in the numbers. (Markopolos 2010, p. 9)

One of the chief messages emerging from the Markopolos self-depiction is that, to convince others that accounting reports are fraudulent, the evaluatee gains when she is represented as having strong intellectual skills. Such claims were also confirmed by others in his team such as Casey, who in his own version of events confirms Markopolos' superior analytical abilities.

Harry's a loveable, affable geek (...) He's extremely bright, magnitudes brighter than me. And he can make the numbers dance. (Casey in Prosserman 2011, min 5:49)

In this section, we highlighted several actions these whistleblowers emphasized in their stories, helping the public understand what the role involved. This was necessary to demonstrate there was nothing untoward in their approach and that, while there were no guidelines on how to blow the whistle, their actions were not taken lightly and were done with the public interest in mind. For instance, the stories talk about prompt action, the accumulation of evidence, the use of teams, actor determination, and attempts to draw on expertise. Further, as mentioned below, whistleblowing is represented as a corporate governance mechanism in need of effective institutional and regulatory support.

Constraints: Barriers requiring regulatory and organizational change

The narrative pattern about “constraining barriers” clarifies what hindered the whistleblower from fulfilling her role. Narratives about these barriers put whistleblowers in the spotlight. The underlying message is that removing the barriers may translate into the strengthening of the whistleblower’s ability to detect and report wrongdoing.

Outside/external barriers

Whistleblowers told of barriers in the organizations many worked in, and externally regarding the support received from regulatory bodies such as the SEC and the media. The individuals were very candid in describing the personal consequences of their choice to speak out about the acts of fraud they witnessed. Most whistleblowers identify in their stories the many ways others retaliated to try and keep them from going public. Smith provides an interesting example:

I don’t think that there are adequate protections for whistleblowers. I think that the majority of the time whistleblowers end up to be the victims themselves, perhaps even (...) with worse consequences than the people they are blowing the whistle against. In this country (...) it’s a career suicide for people to blow the whistle, because (...) right or wrong, they are then viewed as people who are not team players, they are viewed as people who can’t be trusted. And the consequences are extremely negative, despite the fact that there is the Dodd-Frank act (...) out there just designed to protect these people. (Smith, our interview)

These accounts illustrate that taking on the whistleblower role may be detrimental to one’s career. Some whistleblowers were fired from their jobs and found it difficult to secure new positions in the industry. Some, like Watkins, had tried to reduce the likelihood of retaliation by trying to raise her concerns anonymously.

Others focused their tales on the judgment of institutions that did not take them seriously and did not investigate their claims further. According to Markopolos, the SEC and the media prevented a swift response to the fraud he uncovered. By his account, the staff working for the SEC were incompetent.

I did not believe Meaghan Cheung³⁴ had the derivatives or mathematical background to understand the violations. (Markopolos 2010, p. 195)

Some stories point out that whistleblower efforts were not always very successful due to the poor understanding they had of their role and how to proceed. For instance, in reflecting on his own experiences, Markopolos said:

My error was in believing that the SEC actually was capable of protecting investors. (Markopolos 2010, p. 63)

By raising questions about the effectiveness of the SEC in his storytelling, Markopolos' intentions were to challenge the institution's legitimacy. He was, in effect, counterpoising his swift and ongoing actions, intended to protect investors, with those of the SEC which had not taken seriously his claims of fraud or investigated them in a timely fashion. Markopolos repeatedly maintained structural changes were needed to support the work of whistleblowers.

It is important to note, however, that Markopolos was not suggesting regulation in principle is ineffective. He is very clear in stating that self-regulation does not work, and while his experience was that regulation provided little protection to him or investors, there is nonetheless scope for regulatory powers to be enhanced (to some extent) if more resources are devoted to regulatory agencies and if the latter's sensitivity and reactivity to fraud tips are strengthened (Markopolos 2010, p. 75). His impressions of the key issues facing agency departments involved in enforcement are as follows:

It was then that I began to understand that the SEC is a government agency that had been captured by the private industry it was created to regulate. (Markopolos 2010, p. 127)

The stories told by whistleblowers about media involvement in supporting them and exposing the fraud were mixed. Markopolos projects a negative role.

I never found out why the [Wall Street] Journal had not done the story. (...) After it was clear the Journal was not going to investigate Madoff, I didn't know where else to turn. (Markopolos 2010, p. 168)

³⁴ Chief of the enforcement division at the New York SEC's branch.

Such reservations about the media can, in principle, threaten the persuasiveness of whistleblowing stories as legitimizing devices. However, again, Markopolos develops in the concluding part of his book some recommendations that suggest there are ways to strengthen the role of the media as a facilitator of notification in the public sphere. His point is that fraud is detectable and notifiable – as long as appropriate institutional conditions are established.

Woodford's case – where the media played a very positive role in exposing the fraudulent scheme at Olympus – is the complete opposite to Markopolos'.

Sacked Olympus chief had sought answers to over \$1bn in payments. As Jonathan [journalist from the Financial Times] had promised, my story had made the front page, and also the famous Lex column, together with a major feature in the centre pages. (Woodford 2012, p. 93)

Barriers are not always constraining; in some situations, they are reframed, literally, as facilitators. That being said, one of the key points emerging from these whistleblower stories is that even when being cast in a negative light, barriers frequently appear as improvable – in that regulatory institutions, for instance, may be made more effective if they are better staffed with more competent people.

Network barriers

The barriers whistleblowers identified were not limited to the organizations they worked for or regulatory bodies. They also came in the form of lack of support from the close network of people whistleblowers relied on in the workplace. With so little support, whistleblowers often told stories about how lonely they felt and their feelings of disenchantment and disappointment vis-à-vis former colleagues and even friends:

The person, the people I felt betrayed me most were not people who were involved in the fraud, but they were the senior managements in America, Germany and the U.K. Those people, who had helped me expose

the fraud, the day I got fired moved away in a way I would never have believed, and I considered several of these people friends. (Woodford, video³⁵)

She picked up the phone and placed a call to Fastow [Enron CFO]'s in-house attorney, Kristina Mordaunt, her friend (...) Sherron showed Mordaunt the letter she had written and discussed the one she was drafting. Mordaunt responded with a grimace. Why are you doing this? she wanted to know. Are you trying to bring down the company? For a moment, Sherron was speechless. (Swartz and Watkins 2003, p. 281)

Emotional barriers

Most storytellers also reported feeling danger, threatened, and fear. It quickly became apparent to many of them that few people in their close environment were sensitive to their plight and to how it was personally affecting them. Their stories are full of emotion. They do not present themselves as disembodied individuals, insensitive to the difficulties they face in their journey. Instead, they represent themselves as emotional beings, subject especially to fear and breakdown. Interestingly, barriers may occur psychologically, within their own minds. For instance, Markopolos often mentions being assailed with a feeling of extreme danger:

For several years I'd been living under a death sentence, terrified that my pursuit of Madoff would put my family and me in jeopardy. (Markopolos 2010, p. 6)

Smith is also represented as having suffered from a feeling of severe threat ensuing from the fraudster's characterization as a merciless and inflexible individual:

A meeting was arranged with the FBI and the United States Attorney's office. They were familiar with Scrusby's [HealthSouth CEO] power and greed, and felt the safest place to meet would be in the Wynfrey Hotel at the Riverchase Galleria. I was told to park my car at the opposite end of the Galleria and to take a serpentine route through the mall. I was legitimately afraid of what would happen if Scrusby knew what I was doing, and believed in my heart that he would have no boundaries in stopping me if he knew that I was about to destroy his empire. I feared for my life. (Beam and Warner 2009, p. 133)

Some whistleblowers carefully interwove their stories with other well-known tragedies. For instance, Watkins references the Titanic when she compares the events she is witnessing with a "sinking ship" and "iceberg." She implies she knew it was only a matter of time before the

³⁵ <https://www.youtube.com/watch?v=eEBIound460> (Last accessed: April 4, 2018).

company would collapse and by then the repercussions would be disastrous for many people. Her account also suggests she felt a sense of failure in not being able to rein in the forces of adversity:

Late at night, or in the early-morning hours when sleep remained elusive, Sherron lay in bed, stared at the ceiling, and tried to predict the future. She couldn't get the image of a sinking ocean liner out of her mind, one that lurched and listed through rough seas. The frightened passengers were howling, and the captain had just commandeered a cigarette boat and was speeding safely toward shore. (Swartz and Watkins 2003, p. 273)

Unlike Watkins, who compared her situation to historical events to underline the magnitude of the situation, Smith highlights the seriousness of the situation using a medical metaphor:

It started with very small transgressions. And behind that we had all these rationalizations of why it was okay to start bending some of the rules. And the amounts were so small (...), but it was getting on the slippery slope, and once you get into that area, it grows (...) it was like a cancer, almost. (...) the dictionary should really have the word "lying to yourself" next to rationalizations. (Smith, video³⁶)

As such, whistleblower emotions are represented as ensuing from the fraudster's monstrous nature. Using strong images, fraudsters are often described as dangerous individuals exhibiting either a mental disease or evil characteristics. Smith (Beam and Warner 2009, p. 132-133) qualifies the person leading the acts of fraud as a "narcissist sociopath." Such images invoke in the reader's mind the type of person able to rally support for the fraudulent scheme's organization. They may convince the reader of the illegitimacy of the actions taken by that person. Other accounts also used similar images in their storytelling. For instance, the following comment by Watkins:

No one wanted to trade with the devils from Enron's evil empire. (Swartz and Watkins 2003, p. 359)

In sum, the stories we analyzed identified several constraining barriers. Some originated inside the organization, from co-workers and superiors, while others came in the form of (allegedly) poorly developed systems to investigate whistleblower tips. The media are sometimes shown as being unreliable. Barriers were also closer to home; many whistleblowers, by their own admission,

³⁶ <http://www.westonsmith.biz/media/video/weston-at-red-hat-inc.html> (At the time of the finalization of this paper - April 4, 2018 -, this video was not publicly available anymore).

were shunned by friends and others in their immediate social circle. The whistleblower discourse also presents their mindset as emotionally characterized by several constraints which always threaten to derail their success. However, the stories converge in bringing to the fore a sense of hope, in that the barriers are not set in stone.

Consequences: The longer-term positive impact of the whistleblowing act

The narrative pattern about the “longer-term positive impact of whistleblowing” facilitates the public’s vision of a world in which whistleblowing leads to positive changes either for individuals (“personal impact”), organizations (“organizational changes”), or regulatory agencies (“regulatory change”). A role which leads to positive effects is more easily perceived as legitimate.

Personal impact

To explain there is life after whistleblowing, most of the stories covered what happened once the individuals accused of questionable conduct were convicted of fraud. For instance, Watkins specified:

My life is really different. I can't get a job in corporate America, I've lost friendships over this, but on the good side I also have had amazing miracles happen. (...) I am living a whole different life, where the spiritual aspect is (...) much more vivid and alive (...) I don't make as much money as I did in corporate America. However, I am able to travel the globe, speaking about Enron. (Watkins, our interview)

Indeed, most of the better known whistleblowers now address audiences as keynote speakers.

Since others provide whistleblowers with a platform to discuss and promote ideas about the role of the whistleblower in detecting fraud, this suggests there is public interest in the role and that evaluators are keen to know more about it. Whistleblowers appear keen to be involved in shaping the legitimacy judgments of others. Our analysis indicates a new pursuit is to ensure society learns from these scandals and the mistakes made. Their emphasis is on ensuring appropriate resources are in place, both within organizations and by external regulatory bodies to follow up allegations of misconduct.

Some stories even underscore that fame is one of the ultimate consequences characterizing the whistleblower journey. As specified by Woodford:

I was cheered up when I learned on 23 December that the Independent had named me its Business Person of the Year. (...) The accolades were now coming in thick and fast. (Woodford 2012, p. 205)

Organizational changes

In the wake of the scandal, others like Markopolos seemed to gain some satisfaction from knowing they had contributed to the development of significant change within the SEC.

When it was over, the SEC had been exposed and embarrassed in front of the entire nation. (...) Eventually all but one of the SEC directors on that panel [were] replaced. (...) It was nearly a clean sweep. (Markopolos 2010, p. 234)

Like Markopolos, Woodford suggested he felt his actions had, in the end, been effective: Three directors were arrested and indicted, including the chairman Kikukawa. (Woodford, video³⁷)

In talking about the work they did, two whistleblowers reflecting on the effectiveness of their methods came to the conclusion that collective action is likely to be more effective in motivating others to take the whistleblowers accusations seriously. Smith suggests that with the benefit of hindsight, he would still engage in the whistleblowing activity if confronted with a similar situation – but this time through a tactic more likely to pay off: blowing the whistle collectively.

If I were in an identical situation again, I would again blow the whistle (...) Can [people] develop a strong enough group inside the company to go to the top and stop what's going (...) [In] my example, (...) if we as a group went to Richard and said "No! We are not going to do business this way," he could not fire the entire group. (Smith, our interview)

Watkins held a similar view:

I think (...) I would (...) do it differently. I'd get more people to go with me and meet with Ken Lay [Enron's chairman]. (Watkins, our interview)

Such observations confirm what Bitektine and Haack (2015) and Kuran (1995) have argued about the likelihood of others going public with deviant judgments. They also suggest "numeric

³⁷ <https://www.youtube.com/watch?v=eEBlound460> (Last accessed: April 4, 2018).

strength” makes it harder to ignore deviant judgments, therefore increasing the likelihood of change.

Finally, some felt whistleblowing would be most effective if they were able to raise the concerns they had anonymously or in a team since it would protect the individual from retaliation.

Regulatory change

By their own accounts, most whistleblowers felt much had been learned from their stories and that their whistleblowing situation had been effective in engendering (regulatory and/or attitude) change and positive outcomes. In their stories, they suggest they are more optimistic about regulation and the protection of whistleblowers. For instance, about the new laws, Watkins commented:

I am encouraged about (...) the new laws in the United States like Dodd-Frank that now reward a bounty program to whistleblowers for financial matters. And that bounty program has attracted the lawyers to the cause of whistleblower. And there are ways that the whistleblower can stay anonymous. So I am hoping these wrongdoings just get corrected when there is still a chance, when they are small. And now the cost of it hopefully would not be so high. (Watkins, our interview)

Cooper stresses that while fraud is inherently unavoidable, she views positively the enactment of new regulations which may ultimately help strengthen the institutional context. More importantly, perhaps, she sees her and others’ stories as contributing to changing society’s attitudes towards whistleblowers.

I thought very positive about some of the improvements that we’ve seen in corporate governance (...) post Sarbanes-Oxley (...). All companies, public companies now have fraud hotlines, and as you probably know, something like over 40 per cent of frauds are identified due to tips. (...) the CEOs, the CFOs sign off, there are a lot of positive changes. Boards are certainly more engaged, more active (...). So, overall I feel good. (Cooper, video³⁸)

³⁸ <https://www.youtube.com/watch?v=6yXuNnjnnEA> (Last accessed: April 4, 2018).

This last excerpt suggests that although fraud is inevitable, society can establish institutions to facilitate whistleblowing. By their own accounts, learning from mistakes is an undeniable reality, suggesting the governance systems of our political economy are becoming more effective at preventing and detecting fraud – and that whistleblowers are becoming more accepted as central to those systems. In summary, the accounts often imply regulation can be enhanced, consistent with a powerful image in society – that of learning from mistakes (Gendron 2013).³⁹ Again, this kind of account (in line with one key belief in society) may be instrumental in legitimizing the whistleblower role in the eyes of the public.

In summary, the stories we analyzed highlight several types of longer-term positive impacts ensuing from whistleblowing – at the personal, organizational and regulatory level. Role legitimacy may be more easily recognized if whistleblowers’ action is shown as having engendered some positive effects.

5. An assessment of the legitimacy consequences of whistleblower discourse

Past research (Ibarra and Barbulescu 2010) has studied the consequences of self-narratives and found several properties of narratives facilitate influence, such as authenticity and coherence. We mentioned earlier two categories of evaluators, and that whistleblowers especially attempt to influence the second category (“ex-post”) which includes particularly the public as well as institutions such as the media and the regulator (SEC). We recognize a web of influences within the community of ex-post evaluators. For instance, the media are frequently understood as

³⁹ These whistleblower accounts assume regulation can be enhanced, at least in principle, when appropriate government action follows from “credible” understanding of recent scandals (as developed in the whistleblowers’ detailed analyses). Of course, government action may be consistent with other interests, such as intense deregulation; erratic behavior in terms of government action does not invalidate the whistleblowers’ theoretical point, though.

informing audience attitudes. Typically, the formal role of regulatory organizations is to defend the interest of the public (more particularly, the investing public).

Traditional media play a key role in society, if only as channels of information and producers of meaning (e.g., Herman and Chomsky 1988; Hall 1997). Its role is especially important since the information it disseminates may influence public opinion and individual behavior (Cohen et al. 2017). Because the media can disseminate narratives to a larger audience, it can increase the scope and effects of whistleblower self-narratives. In addition, if these stories are discussed favorably in the mainstream media, then such “endorsed” narratives may gain in credibility.

The media is a powerful tool able to create, maintain and undermine the legitimacy of individuals, functions, and institutions. We seek to assess the extent to which the whistleblowers’ narrative patterns resonate in the media and are repeated and implicitly accepted therein. Our focus is on the written press. Articles, news and columns constitute a resonance platform that may influence the legitimacy of the whistleblower role in the eyes of the public. In short, resonance is central in our understanding of the media’s mediating function.

In this section, we document a number of indications, as revealed through an exploratory but extensive analysis of the press and of a major SEC report, that the whistleblowers’ narrative patterns were recognized by the press and the SEC. Concerning the press, we searched the Factiva database using different variations of the word “whistleblowing,”⁴⁰ associated with the name of each of the seven whistleblowers. We retrieved and analyzed 1,621 articles.⁴¹ Table 2 presents a

⁴⁰ Whistle blowing, whistleblowing, whistle-blowing, whistle blower, whistleblower or whistle-blower.

⁴¹ The search criteria were based on sources in English, from all regions and for all dates. Some of these cases engendered a high number of press articles, including short ones. To make our exploratory investigation tractable, we removed shorter articles by restricting our analysis to the articles that comprise the following minimal number of words: 500 words for Cooper, Markopolos and Woodford and 1,000 for Watkins. For Bowen, Casey and Smith, we retrieved and analyzed all articles. A random testing of articles shorter than these thresholds indicates that our findings would not have been significantly modified, had we included all available articles. The articles analyzed are split

summary of the recognition by the press concerning the patterns that underlie the whistleblowers' stories – while online Appendix F presents illustrative quotes. With regard to the SEC, we analyzed the report produced by the SEC Office of Inspector General (U.S. Securities and Exchange Commission 2009).

Insert Table 2 About Here

Table 2 is divided into two panels. We found in the press many indications of positive resonance – suggestive of an increase in legitimacy (Panel A) but also several cues of negative resonance – which we labeled “residual challenges” (Panel B).

First, we found whistleblowers were mentioned positively, as having fostered the debate on their protection or even having influenced the SEC in its reform of the reward system for whistleblowers. They are viewed as having an important message to convey. We found some statements indicating negative images are diminishing. In short, it appears whistleblowers are increasingly viewed as necessary and relevant actors. Even the *Wall Street Journal* (WSJ), mentioned earlier for its lack of reaction to Markopolos, nonetheless recognizes, following Markopolos' statements, the difficulties and challenges he faced. For example, the WSJ published a “letter to the editor” (Bright 2008) acknowledging the fight of Markopolos against the SEC.

The stories indicate the media can help whistleblowers after the case is exposed by providing some recognition of their role regarding the policing of fraudulent activities. Cooper included in her story how she had been nominated as one of the Time Magazine's Persons of the Year:

“Cynthia, this is Jim Kelly with *Time Magazine*.” I try to compose myself and mask the fact that I have just been awakened, as I listen to him say that we will be the 2002 Persons of the Year and that it will be announced first thing tomorrow morning. It is a call I will not forget. For an average citizen who has never been in the public eye, it is an incredibly humbling part of my journey. Beneath our photo, Time prints “the

among the different cases in the following way: Bowen: 19, Casey: 25, Cooper: 293, Markopolos: 462, Smith: 37, Watkins: 547 and Woodford: 238.

Whistleblowers,” a term I don’t much care for until my mother calls to tell me what one of the news stations is saying: Three snitches were named Persons of the Year. Maybe “whistleblower” isn’t so bad after all. (Cooper 2008, pp. 310-311)

Regarding the narrative patterns underlying whistleblower stories, we document resonance through emphasis on the role of triggering events (narrative pattern 1) leading the whistleblowers into action. We find press articles describe in detail how the fraud was uncovered, highlighting several elements also present in the discourse of whistleblowers presented in Section 4, such as the resignation of Skilling for Watkins or the certification of financial statements for Smith.

We also find explicit indications of their recognition for narrative pattern 3 (“Constraints”) and narrative pattern 4 (“Consequences”). As pointed out in Table 2, several articles acknowledge the difficulties faced by whistleblowers, in particular in relation to their careers, the physical and the emotional consequences as well as the frustration associated with whistleblowing actions (see online Appendix F). Longer-term impact of whistleblowing (narrative pattern 4) is also discussed in the press, with an emphasis on the positive consequences of recent regulation and the recognition of whistleblowers as legitimate actors by the public.

The resonance of narrative pattern 2 (“Personality traits”) in the media is, however, mixed. While recognition of whistleblowers’ determination is acknowledged, particularly with regard to Markopolos, promotion of the morality of whistleblowers appears to be unrecognized by the press. Conversely, we even identify some residual doubts about the “pure” intentions of whistleblowers, i.e., we find some evidence in the press that whistleblowers were motivated by self-interest (Macey 2007). Some articles argue whistleblowers played only a secondary role (for Woodford) or were self-interested actors pursuing their own objectives (for Watkins).

To have influence, the narrative patterns of whistleblowers need to overcome some potential inhibitors. We find indications that some of these are not difficult to overcome. Drawing the attention of potential readers is one such example. Though we could not obtain sales figures for

all the books included in our analysis, the large number of articles we identified shows growing interest in the whistleblowers' stories. The average number of press articles retrieved from Factiva on whistleblowing and corporate fraud is 3.7 per year in 1992-2001, and 78.5 per year in 2002-2015. Regarding the risk of inconsistencies, another potential inhibitor, we find no evidence, in the articles analyzed, that our whistleblowers' discourses suffered from significant inconsistencies.

Finally, in the aftermath of the Madoff fraud, the SEC ultimately recognized the defined role of whistleblowers. Markopolos was instrumental in that recognition. For instance, the submissions made by Markopolos to the SEC, in which he explained how he detected the fraud, are reproduced in the exhibits⁴² to the Commission's report on the Madoff fraud (U.S. Securities and Exchange Commission 2009). Overall, the 477-page long report cites Markopolos by name 318 times, illustrating his pivotal role in challenging the regulator's legitimacy.

6. Discussion: legitimacy construction model

As mentioned above, previous knowledge is scant on the processes by which whistleblowers can establish their legitimacy and, concurrently, the legitimacy of the whistleblowing role. Drawing on some of the main theoretical concepts developed above, and based on an idea developed by Treviño, den Nieuwenboer, Kreiner, and Bishop (2014), but relying mostly on the range of themes and subthemes that emerged during the qualitative analysis of our data, we developed a model of the process by which legitimacy is constructed around the whistleblower role.⁴³ The model represents the typical journey through which a given uncoordinated initiative develops and unfolds

⁴² See https://www.sec.gov/news/studies/2009/oig-509/oig-509_exhibits.htm (Last accessed: April 4, 2018). For example, the 2000 submission is reproduced in exhibit 134.

⁴³ Whereas the model developed by Treviño et al. (2014) focuses on the process by which Ethics and Compliance Officers sought to establish their legitimacy within organizations, our model pertains to a distinct legitimacy construction context which is not limited by organizational boundaries, where analytic emphasis is brought to bear on the intertwining between role definition and legitimacy.

in endeavoring to create and solidify an aura of recognition surrounding the whistleblower function (see Figure 2).

Insert Figure 2 About Here

The top of the model describes a significant legitimacy deficit for the whistleblower role. The vast majority of the documents we analyzed point to this. The deficit reportedly ensues from a lack of adequate institutional framework buttressing the whistleblowing role, such as underdeveloped regulation to protect the whistleblower, as well as the absence of a strong institution (e.g., an association or think-tank) representing the whistleblowing function. The deficit is often expressed through the negative views of evaluators regarding the realities of the whistleblower role.

Our documentary analysis points to a perceived need to address the legitimacy deficit, through a series of uncoordinated responses, given the lack of connection and concertation between the proponents of the different legitimacy-enhancing initiatives. As such, these uncoordinated initiatives are influenced by contextual elements such as society's ideal concerning the quest to fight fraud and immorality in business, and specifics surrounding the whistleblowing case (e.g., whether the whistleblowing is internal or external to the organization, and the whistleblower's personality). Each uncoordinated response involves narrative patterns adopted in the whistleblower's story to build and legitimate a tight role definition.

Once a whistleblower's story is published, it enables the public to evaluate the legitimacy of the role definition being constructed and claimed in the story. Importantly, the main type of audience involved in testing the legitimacy claims consists of ex-post evaluators, given that the different documents we analyzed were produced ex-post, after the whistleblowing event. That being said, the whistleblower's persuasive capacities are constrained by a number of potential inhibitors such as the potential skepticism of readers regarding the genuine motivation of the

whistleblower in seeking to disseminate her story, the difficulties of drawing the audience's attention, and the risk of perceived inconsistencies with previous whistleblower stories. Our model then points to two different outcomes, i.e., "increase in legitimacy" and "residual challenges" – which we sought to assess by examining additional sources of information, particularly press articles produced in the aftermath of the story's diffusion. The narrative patterns and their impact on evaluator opinions are pivotal steps in the journey whereby whistleblower legitimacy is socially constructed – through the production and dissemination of their story in the public arena.

Our model may be productively employed to guide future research. From an international perspective, researchers could further examine linkages between discourse and legitimacy in the context of whistleblowing stories produced in other countries; this kind of examination will require a great degree of sensitivity to context differences. For instance, it is important to note that some progress has been made towards improving the regulatory status of whistleblowers in the United States. However, some countries suffer from a lack of structural support or have underdeveloped regulation representing or supporting whistleblowers. The recent case of Hervé Falciani⁴⁴ in Switzerland illustrates the same level of regulatory support is not experienced across the globe. Researchers could analyze the role of culture in an international context and investigate how culture may affect the willingness to blow the whistle as well as the perception of whistleblowing in different countries.

From a behavioral perspective, researchers may seek to examine evaluator tests of claims, in order to better understand the judgment process by which evaluators assess claims pertaining to a given corporate governance mechanism. Also, interview-based research could be carried out with

⁴⁴ <http://www.economist.com/news/business/21679456-two-court-cases-illustrate-struggles-employees-who-allege-wrongdoing-rough-terrain> (Last accessed: April 4, 2018).

members of the media in order to develop a better understanding of the ways in which they evaluate claims, how they construct stories, and how they assess their performance in terms of the news they produce. Given the lack of coordination across the different whistleblowing initiatives, researchers could carry out a case analysis of the National Whistleblower Center (formed at the end of the 1980s in order to deal with many kinds of wrongdoing reporting) in order to examine its genesis, its role in influencing policy-making, its attempts to develop as a center of support for whistleblowers and, perhaps, its interventions in trying to promote a tighter role definition for the whistleblowing function. Quantitative analysis could also investigate the relationship between the narrative patterns found in whistleblower text and context-based features (e.g., degree of uncertainty transpiring from the institutional framework). Tests of claims for categories of evaluators other than the public could be explored. For instance, consumers and investors could be investigated to examine the association between whistleblower narratives and the withdrawal or provision of resources.

Our model may also be of interest to policy-makers and practitioners. The model highlights barriers that constrain whistleblowing work as well as inhibitors that restrain evaluators' tests of claims. The model also points to an intriguing residual challenge, in that most of the main capacities that reportedly allow the whistleblowers to play their role (morality, resourcefulness, and determination) are not significantly highlighted in the media articles we analyzed. Policy-makers may rely on these emerging findings in order to evaluate the extent to which the current regulatory environment facilitates the context for whistleblowing – recognizing, though, that this kind of behavior will always remain a challenge. Our model may indeed constitute a useful reminder to policy-makers and others that whistleblowers are likely to face significant hurdles along their journey; as a result, whistleblowing (even when surrounded with a facilitating

regulatory context) should not be considered and promoted as a panacea to the fraud problem. Fraud remains a convoluted problem particularly difficult to oversee and “control” (Courtois and Gendron 2017). Another practical implication of our model is that external auditors and audit committee members should be careful not to overstate the effectiveness of the control systems organizations establish to oversee the prevention of wrongdoing. Also, given that fraud risk typically is a significant concern in organizations (Power 2013) and in the eyes of auditors (Trompeter, Carpenter, Desai, Jones, and Riley Jr 2013), the internal audit function is likely to be solicited in order to address this risk (Boyle, DeZoort, and Hermanson 2015). However, our model suggests internal auditor involvement in this area should be carried out cautiously, by people with sufficient experience and able to make empathic judgments, sensitive to the perils that characterize the whistleblower journey.

Table 3 illustrates how different components of our model could lead to specific research questions. Our list is far from exhaustive. Researchers should not feel overly constrained regarding the settings and methods to be employed in investigating these questions.

Insert Table 3 About Here

7. Conclusion

This study was concerned with the construction, legitimization, and definition of the whistleblower role. A key argument made in the paper is that whistleblower stories created a more tightly defined image of the significant role they can play in the corporate governance mosaic (Cohen et al. 2004). Through storytelling, whistleblowers offer convincing accounts of what they do and what sort of people they are to make evaluators reassess their judgments and validate the role definition. An important point is that while we see the role definition of the whistleblowers as more comprehensible as a result of their accounts, we do not see that definition as static. Meanings are

inescapably fragile (Hall 1997). Accordingly, the different stories we examined suggest role boundaries should be considered in a perpetual state of becoming (see Ashforth 1998); they change as different whistleblowers tell stories about their struggles and successes. Role boundaries also change as different propriety and judgment validation institutions lend their support, or not, to the various accounts made by the whistleblowers. By and large, the whistleblower undertakings, as depicted in the self-narratives we analyzed, were likely particularly demanding since they are a group of uncoordinated individuals who until recently had few strong institutions to consult in deciding the appropriate actions to take. Yet from a disjointed collective of authors who autonomously constructed and represented the role of the whistleblower, emerges a kind of “co-created” role definition, a social structure characterized by some common traits but which is always transforming in some respects as new discourse and representations are produced.

The role definition of whistleblower that emerges from our analysis is that of a moral, determinate and resourceful individual who collects evidence, fights to overcome barriers, and seeks to contribute to the proper conduct of business and financial reporting. One core element in these whistleblower stories is, irrespective of the success of their efforts, that whistleblowers always acted with the public interest in mind. They reiterate the point that the public interest is more important to them than themselves. We also show that, ultimately, the construction of whistleblower legitimacy rests on a fine line between the demonization of the powerful fraudster, depicted as unethical, powerful and dangerous, and the characterization of the whistleblower as a central figure on a noble quest to restore moral order.

As legitimizing accounts, the stories seek to mobilize participation in challenging existing institutional arrangements. The production of these stories may be conceived of as boundary work (Llewellyn 1998) since they aim to create a more tightly defined image of whistleblowers; in other

words, they aim to better establish and circumscribe the “boundaries” surrounding the role of whistleblowers – as perceived by society. These stories not only highlight the issue at hand, including identifying the underlying sources and consequences, but they also describe in great detail obstacles that frustrated their efforts to change the judgments of evaluators such that the latter saw the actions of the formal authorities involved to be “illegitimate.” This suggests the construction of legitimacy for a role is reminiscent of a game of cat and mouse where the moves of the different players may translate into the legitimacy of some party being enhanced while that of another is weakened. We argue that ongoing invitations to whistleblowers to play this game and share their stories (e.g., in conferences) provide them, at least in principle, with the scope for redefining the terms by which their actions can be appropriately judged.

Also, in constructing their legitimizing stories, whistleblowers emphasize the effectiveness (or difficulties) of whistleblowing acts, the role of the media in providing (or not) a sustainable notifying channel, and the appropriateness (or not) of current regulation. Even when framed through a critical tone, the stories promote a feeling that, though fraud is not inevitable, it nonetheless can be identified by whistleblowers and ultimately brought to a halt if the “right” contextual conditions were established. This feeling may reinforce the legitimacy of whistleblowers as an important corporate governance mechanism.

As a topic that has received relatively little attention in accounting circles, there is significant scope for more research on whistleblowers, beyond research questions in relation to our legitimacy construction model (Table 3). First, the role of whistleblowers has gained more prominence, and due to recent regulatory changes, the work of those in related fields such as internal auditing may be affected. What that impact has been to existing corporate governance practice and the roles of those performing such practice are empirical questions worthy of further study.

Second, we find Woodford's story was published in the *Financial Times* in 2011/2012, (i.e., in a shorter timeframe) than was the case for the stories of the previous whistleblowers. Could it be that journalists now treat whistleblower claims more seriously and react more rapidly? Or is Woodford an exception? A positive answer may imply that the legitimacy of whistleblowers has increased over time as evaluators (the press) might be easier to convince, after the work done by "pioneers" (e.g., Markopolos).

Third, the study presented in this paper has focused on whistleblower stories and their relative consequences. In future investigations, it might be possible to study in more detail the interactions between whistleblowers and regulatory bodies like the SEC to understand how specific cases were treated following recent regulatory changes made in support of whistleblowing. Regulatory agencies may provide considerable authority to legitimize the whistleblower role. For instance, the SEC undertook an investigation to see why the allegations made by Markopolos were found not credible. Part of that investigation involved an in-depth interview "on the record" with Markopolos.⁴⁵

Fourth, there have been changes in the level of legal support afforded to whistleblowers. Changes by the SEC allows whistleblowers to provide them with tips anonymously. Under the Dodd-Frank Act, whistleblowers providing credible data to the SEC can be awarded anywhere between 10-30% of the money the SEC collects; to date, over \$111 million has been paid out to 34 whistleblowers.⁴⁶ In March 2015, the SEC made its first whistleblower award to a company officer (Boyle, Boyle, and Carpenter 2016). Thus, the recent financial and regulatory support provided by the SEC indicates the position has gained some legitimacy, at least in the regulator's

⁴⁵ <https://www.sec.gov/news/testimony/2009/ts010509hdk.htm> (Last accessed: April 4, 2018).

⁴⁶ <http://www.sec.gov/whistleblower/reportspubs/annual-reports/owb-annual-report-2016.pdf> (Last accessed: April 4, 2018).

eyes. However, in most of the stories we analyzed, the whistleblowers did not seem to have been primarily motivated by personal gain – but instead by moral ideals. More research is needed on the dynamics that regulatory emphasis on monetary rewards may engender.

Finally, an important part of recent SEC reforms is that wherever possible, the whistleblower’s identity should be kept secret. This makes it difficult to evaluate if the role has gained further support inside organizations or if organizational compliance with the need to establish formal reporting channels inside organizations represents mere “window dressing.” The SEC has recently fined organizations for retaliating against whistleblowers, suggesting such impression management behavior.⁴⁷ By keeping whistleblower identities secret, evaluators are unable to judge that individual or retaliate; they can only judge based on the information provided as evidence of the wrongdoing. More research is required to understand how organizations seek to address the SEC requirements (e.g., changes in the internal audit function, implementation of new protocols for whistleblowing, internal communication of these protocols) and the other challenges involved in reducing the legitimacy deficit of whistleblowers (e.g., lack of training and education about the role, ineffective reporting channels, etc.).

⁴⁷ See: <https://www.sec.gov/files/owb-annual-report-2016.pdf> (Last accessed: April 4, 2018).

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TABLE 1

Synopsis of the whistleblowers' stories⁴⁸

Whistleblower	Summary of events
Richard (Dick) Bowen	In early 2006, he was a business chief underwriter with City Financial Mortgage, a subsidiary of Citigroup. He was promoted to the position of Business Chief Underwriter for the whole group. He had responsibility for overseeing the credit quality of over \$90 billion annually of mortgages, residential mortgages, etc. He discovered over 60 per cent of these that Citigroup was purchasing did not meet the group's guidelines. He then started issuing warnings, e-mails, etc. He is known as the Citigroup whistleblower.
Frank Casey	He worked in the finance industry. As a senior executive at Rampart Investment Management, in 1999, he asked Harry Markopolos to replicate the strategy used by Bernard Madoff for his wealth management activity. He was involved with Markopolos in a team known as The Fox Hounds or the Madoff whistleblower(s).
Cynthia Cooper	She was vice president of internal audit for WorldCom and subsequently MCI. In 2002, she uncovered a \$3.8 billion fraud (an amount which would grow to some \$11 billion) in relation to capitalization of line costs (intangible assets). She exposed the fraud and became known as the WorldCom whistleblower.
Harry Markopolos	He was a securities industry executive when asked by his boss at Rampart Investment Management to replicate the strategy used by Bernard Madoff for his wealth management activity. He found Madoff's business was fraudulent (Ponzi Scheme) and blew the whistle, to no avail, several times to the SEC. He is known as the Madoff whistleblower.
Weston Smith	As CFO of HealthSouth, he took part in a massive financial statement fraud to inflate earnings. But in 2002, he decided to expose the fraud to the FBI. He spent 14 months in federal prison and then four months in a halfway house. He is known as the HealthSouth whistleblower.
Sherron Watkins	A former Arthur Andersen consultant, she joined Enron in 1993. She worked in Enron's finance group, its international company and its broadband division, before being appointed as vice president in corporate development. As a result of her memos to Ken Lay urging the company to change its accounting practices and restate its earnings (in particular in relation to Special Purpose Entities, which had the effect of hiding part of Enron's debt), she is known as the Enron whistleblower.
Michael Woodford	A British citizen, he worked for Olympus for 30 years, initially for the UK subsidiary, Olympus KeyMed, joining as a surgical salesman, progressing to sales manager and sales director before being appointed managing director in 1990, at the age of 29. After a successful career in the group, he was appointed in April 2011 President and COO of the Olympus Corporation. On October 1, 2011, he was made the first non-Japanese president and CEO, but only two weeks later was dismissed after querying inexplicable payments in excess of \$1.5 billion concerning three acquisitions made by Olympus. He is known as the Olympus whistleblower.

⁴⁸ Table 1 was prepared based on the following sources: biographies from the books analyzed in this study (when available), whistleblowers' websites (when available), and our summary of all available sources (to complement the first two sources).

TABLE 2

Whistleblowers’ narrative patterns as found in the press

Panel A - Increase in legitimacy
<i>Forms of impact</i>
<i>Protection and regulation</i> Influence on the SEC to reward whistleblowers: Markopolos (Baer, Zuckerman, and Viswanatha 2016) Debate on whistleblowers’ protection: Cooper (Geller 2008) Regulation: Watkins (Linthorst, Bouchard, and Grese 2013)
<i>General recognition</i> “Enormous and lasting impact”: Watkins, Cooper and Woodford (Geat 2016)
<i>Importance of the message</i> Important message to convey: Smith (Anonymous 2012)
<i>Reduction of negative image</i> No negative connotation: Cooper (Simms 2004; Krell 2008), Watkins (Elstein 2014)
<i>Necessary people</i> Markopolos (Bright 2008; Arvedlund 2011)
<i>Narrative pattern 1 – Trigger(s): Event(s) leading to whistleblowing</i>
Skilling resignation: Watkins (Frey 2002) SOX certification: Smith (Malespin 2014) “Facta” articles on the three dubious acquisitions: Woodford (Layne, Fuse, and Pomfret 2011) Attempt to replicate Madoff’s strategy: Casey/Markopolos (Kerber 2009) Tips from an internal auditor and from a Property accountant: Cooper (Pulliam and Solomon 2002)
<i>Narrative pattern 2 – Personality traits: Whistleblower’s morality, resourcefulness and determination</i>
Persistence of Harry Markopolos (Bright 2008)
<i>Narrative pattern 3 – Constraints: Barriers requiring regulatory and organizational change</i>
Grief, depression, legal fees, loss of work colleagues, and dealing with intrusive questions: Cooper (Horn 2005) Accusations, stress, and court hearings: Watkins (Monaghan 2008) Accusation: Woodford (Twaronite 2011) Frustration: Markopolos (Heller and Chung 2010; Kwantes 2010; Heller and Rothfeld 2016) Health problems: Bowen (Lin 2015) Ignorance by the press: Markopolos/Casey (McCoy 2009) Ignorance by the management: Bowen (Carter 2016) Haunted by investor losses: Markopolos (Baer et al. 2016) Loss of job: Woodford: (Lloyd Parry 2011, 2016), Bowen (Lin 2015; Carter 2016) No future job: Woodford (Gwyther and Anderson 2012), Cooper (Anthony 2009), Watkins (Kasperkevic 2015) Ostracism: Woodford: (Daly 2014), Cooper (Hooper 2008) Jail: Smith (Reeves 2005) Safety: Woodford (Clark 2011; Tovey 2013) Considered as a bounty hunter: Markopolos (Davis 2010) Considered as a Madoff rival: Markopolos (Lynch 2009) Disdain: Markopolos (Pressley 2010) Shunned by coworkers: Cooper (Ruggles 2014) Relief: Markopolos (Zuckerman and Scannell 2008)
<i>Narrative pattern 4 – Consequences: Longer-term positive impact of whistleblowing</i>
Recognition by the U.S. Congress and in the media: Markopolos (Heller and Chung 2010) Recognition by the public: Markopolos (Bright 2008) Keynote speaker: Woodford (Stoever 2013)
Panel B - Residual challenges
<i>Narrative pattern 2 – Personality traits: Image of whistleblower’s morality, resourcefulness and determination</i>
Not the real whistleblower, secondary role: Woodford (Lewis 2012; Senior 2012)
Whistleblowers: image of interested people: Cooper (Geller 2008)
Accusation of being a self-interested whistleblower: Watkins (Macey 2007)
<i>Other challenges</i>
Still considered a pariah: Woodford (Sieg 2016)

TABLE 3

Research questions and legitimacy construction model

Box of legitimacy construction model (Figure 2)	Research question	Examples of potential settings / methods to investigate the research question
Lack of adequate institutional framework	<ul style="list-style-type: none"> - How do formal institutions (i.e., specific laws, regulations) affect the legitimacy of whistleblowers? - How did the institutional framework that surrounds whistleblowing change over time? What impact did these changes have on whistleblower legitimacy? - To what extent is whistleblowing regulation effective? How and why is regulation constrained or challenged on the field? 	<ul style="list-style-type: none"> - Analysis of press articles surrounding regulation changes (pre vs. post analysis) - Historical analysis of firms' policies (e.g., codes of ethics) - Analysis of legal cases
Legitimacy deficit	<ul style="list-style-type: none"> - To what extent do cultural values (e.g., trust, power distance, individualism, masculinity, uncertainty avoidance, long-term vs. short-term orientation) affect the legitimacy of whistleblowers? - Does the legitimacy deficit vary between different jurisdictions? Why? 	<ul style="list-style-type: none"> - Interview-based study or survey in different countries (e.g., Continental Europe vs. US) - Analysis of press articles in different countries
Uncoordinated response	<ul style="list-style-type: none"> - To what extent do whistleblowing stories and the underlying narrative patterns vary between different cultures and languages? - How do whistleblowers write their stories? What are their main motivations? What are the principal preoccupations they have in mind? - At the time of writing one's story, to what extent is there coordination, or not, with the surrounding institutions of whistleblowing? - Does the promotion of new role definitions in contemporary settings, characterized by social media and the Dodd-Frank Act, require coordinated responses? - How can a single account (e.g., Markopolos) facilitate change in the legitimacy of the whistleblowing function at the macro-level? What are the conditions under which legitimacy develops in such circumstances (i.e., when only one individual is involved as whistleblower but the consequences of the underlying fraud are socially unacceptable/immoral)? - Why do most whistleblowers apparently tend to act separately, without the support of whistleblowing organizations (e.g., National Whistleblower Center)? 	<ul style="list-style-type: none"> - Case studies

Test of claim	<ul style="list-style-type: none"> - What are the cognitive/behavioral processes that play a role in the formation of the public’s judgment about the legitimacy of whistleblowers? - To what extent are individuals assessing the claim of whistleblowers affected by their own function, experience, employing organization, or moral values? - How do the media decide whether it is “worth” producing a “scoop” article that reveals a material and unexpected whistleblowing situation? - How are whistleblowing situations addressed and framed in media articles? What do journalists care about when writing their own stories? Where do they gather basic information? 	<ul style="list-style-type: none"> - Laboratory experiment - Interview-based study or survey
Potential inhibitors / Increase in legitimacy	<ul style="list-style-type: none"> - How could the public be reassured that whistleblowers do not pursue their own interest but instead aim for a positive general outcome for society? - What are the most effective approaches and narratives to promote the whistleblowing role? - How are whistleblowers negatively affected and stigmatized by organizations and governments (despite some regulatory protection)? - Should business schools cover the topic of whistleblowing in a more explicit way, for their students to develop a deeper appreciation of the role and its function in the economy? 	<ul style="list-style-type: none"> - Survey or laboratory experiment - Empirical archival research relying on textual analysis methods

Figure 1 Data structure

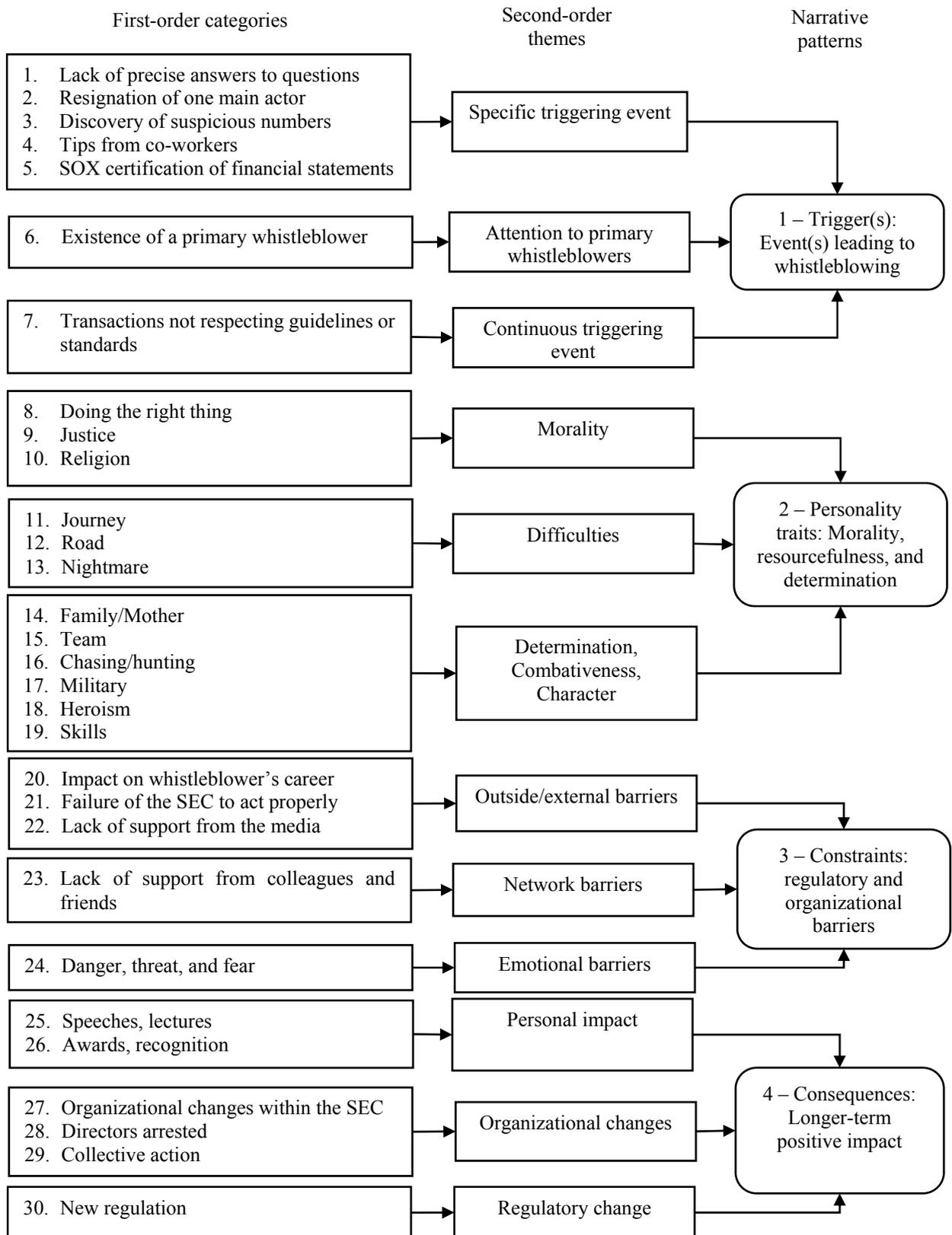


Figure 2 Legitimacy construction model of the whistleblower's role

