Chapter VII
SUGGESTIONS AND CONCLUSION

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7.1 INTRODUCTION

This chapter aims in offering the suggestions based on the findings. Some of the suggestions are also given based on the observation made while interviewing the respondents. These suggestions are considered to be useful to the Karnataka State Public Enterprises in particular and Public Sector Enterprises in general, researchers and academicians, regulatory authorities and policy makers. The employees also can be benefited by the suggestions who are prospective whistle blowers.

7.2 SUGGESTIONS TO KARNATAKA STATE PUBLIC ENTERPRISES

1. INSTITUTIONALISATION OF WHISTLE BLOWING PRACTICE:
   There is a need for protection measures to protect whistle blowers through institutionalizing whistle blowing practice on one side and training the employees to take precautionary measures on other side. The institutionalization works in establishing the formal mechanism for blowing the whistle in the bureaucratic set up. The institutionalization of whistle blowing in such a set up creates success stories of whistle blowing.

2. TRAINING AND AWARENESS PROGRAMMES:
   The awareness level of employees with respect to whistle blowing must be increased in Karnataka State Public Sector Enterprises. The awareness about code of conduct, code of ethics, vigilance department, vigilance functions and reporting mechanism is needed. The awareness level can be increased by training programmes on whistle blowing, through charts and postures about the whistle blowing mechanism. The awareness level of employees with respect to whistle blowing must be increased among all cadres especially lower cadre having less education and lower income in Karnataka State Public Sector Enterprises. This will develop transparency in the organization structure. This will builds the trust among superior and subordinate relationship. There is a need for training programmes on whistle blowing to all level of employees to be arranged in Karnataka State Public Enterprises. There is a need for involvement of both superiors and subordinates together in the open discussion of the training programmes. This results in healthy reporting
behavior among employees. This will build the trust among superior and subordinate relationship.

3. **ACTIVE INFORMATION SYSTEM:**
   Information system in Karnataka State Public Enterprises must be made active and strong for effective communication. The information system includes knowledge about use of technology for communication. **Just in time response** is available, when there is effective information system in the organization. The information system should be effective combination of people, procedure, policy and principles. This avoids delay in response towards reporting, and makes right investigation at right time, where in delayed response causes more severity of the problem.

4. **UPDATION WITH LAW:**
   There is a need to adopt the provisions relating to whistle blowing aspect of **New Companies Act, 2013** in working of Karnataka State Public Sector Enterprises in absence of specific law relating to whistle blowing. However, the public sector is registered under Companies Act, and its provisions are implied in applicability. The New Companies Act, 2013 is considered as the **bridging gaps for better corporate governance.** Most of the good corporate governance practices are suggested and included for companies in the provisions of this Act. The well defined system is the reason for successful implementation, unless the system is implemented. The Companies Act 2013 has strived in this regard by defining the provisions for better governance, which can be considered as well defined system for successful implementation and working of Companies. Whistle blowing mechanism is one such practice for good and effective corporate governance.
7.3 SUGGESTIONS TO REGULATORY AUTHORITIES AND POLICY MAKERS

5. WHISTLE BLOWING POLICY AND MECHANISM:
   There is a need for formal whistle blowing mechanism to encourage healthy whistle blowing. The formal whistle blowing mechanism is a system to get information on the issues and problems and solving those problems in better way by not causing harm to whistle blower. Every enterprise must have vigilance section headed by independent director and investigator. The independent director must be free from direct involvement of all operational activities within the organization. The independent director will be responsible to chief vigilance officer at the state level. He/she must directly report to chief vigilance officer. Employees at higher level of same organization must not be considered as independent director, which is usually observed in some present KSPE having vigilance department. The chief vigilance officer at the state by statute is required. The qualification, appointment and responsibilities must be provided in the statute considering further scope of the study.

6. WHISTLE BLOWING PRINCIPLES:
   The act of whistle blowing must be guided by certain principles. The certainty is needed to avoid ambiguity and confusions. The application of those principles will increase the effectiveness of whistle blowing mechanism and investigation process. Principles are rule based, ethics based, which standardize the process and system. The principle based whistle blowing will help to achieve the sustainability. The principle based whistle blowing will provide security and safety to whistle blowers. Therefore the whistle blowing legislation must be inclusive of whistle blowing principles. The proposal for developing the principles of whistle blowing must be called by the regulatory authorities.

7. EFFECTIVE TRANSFER POLICY:
   There is a need for Effective Transfer policy in Karnataka State Public Enterprises to avoid retaliation for employees for whistle blowing. The period and nature of transfer has to be considered in the policy.
8. ETHICS AND ADVISORY COMMITTEE:
There is a need for ethics and advisory committee which is role based than non-role based. For this the present audit committee must be strengthen along with inclusive role of advisory committee. There is a need for working on the formation and implementation of this committee to make it strong and to avoid present loopholes.

7.4 SUGGESTIONS TO PROSPECTIVE WHISTLE BLOWERS

9. CHOOSING RIGHT LEADER AS A CHANNEL TO BLOW THE WHISTLE:
There is a need for democratic style of leadership at the top level. The management support and interaction to employees results in healthy reporting behavior among employees. But unfortunately the presence of leadership style in a leader depends on individual personality traits. This can be dealt by choosing right leader for right issue by the whistle blower.

10. MITIGATE THE RISK:
Right to Information Act can be used as risk mitigation tool for whistle blowing by the employees. When the employees feel that their anonymous reporting is not kept confidential and when they fear they may face severe retaliation, then they can use RTI as a risk mitigation tool through RTI activists. Wherein the RTI applicant is the RTI activist and not the primary whistle blower i.e. employee.

11. RIGHT AND DUTY:
Whistle blowing is mostly identified as the voluntary act, but the mechanism and procedure mentioned in Companies Act 2013 remembers the related person as his duty, right and responsibility. Hence whistle blowing is not the mere voluntary act, but the real responsibility of the employees. However, the Companies Act, 2013 lacks protection measures for whistle blowers.
12. PRECAUTIONARY MEASURES:

As a prospective whistle blower pose questions to yourself before becoming actual whistle blower. Find the answers for the following questions

a) Whether the act of wrongdoing observed by me will seriously cause damage to public interest?

b) Whether I have enough clarity and knowledge about the wrongdoing?

c) Whether I am the prime witness of serious wrongdoing or Are there people like me who are even aware of it and keeping quite? Why are they keeping quite?

d) What are my strengths and weaknesses?

e) What are the possible threats that I may get, if I blow the whistle?

f) What are the channels existing presently in the organization? What channel is risk free and active?

g) What may be the possible outcome?

h) Am I true to myself, fair and justice in my work?

Finally keep in mind the given statement. “Don’t ever target the wrongdoer…!!!! Target the wrongdoing which seriously harms public interest.”

These suggestions to prospective whistle blower for taking precautionary measures can be also part of training programmes by the organizations and part of curriculum in the subject like corporate governance. So the message can reach the maximum.
7.5 SUGGESTIONS TO IMPROVE WHISTLE BLOWER PROTECTION LAW

The Whistle Blower Policy Procedure Principles and Protection Model (WBPPPP) model has been suggested to improve Whistle Blower Protection Law.

![Figure 7.5.1: WBPPPP Model](image)

The WBPPPP model is an effective combination of policy, procedure principles and protection factors includable in the whistle blower protection law. The existence of effective whistle blowing policy includes effective procedure with respect to disclosure mechanism and investigation as well as required protection factors.

### Table 7.5.1

Table showing WBPPPP Row Matrices

<table>
<thead>
<tr>
<th>Policy</th>
<th>Procedure</th>
<th>Protection</th>
<th>Combination</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>A</td>
</tr>
<tr>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>B</td>
</tr>
<tr>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>C</td>
</tr>
<tr>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>D</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>E</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>F</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>G</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>H</td>
</tr>
</tbody>
</table>
The above matrices shows 8 combinations of policy, procedure, principles and protection factors of whistle blowing indicating A-H combinations represented by a single row.

The ‘A’ combination of the matrix represents the presence of effective policy, procedure and protection factors in the whistle blower protection law.

The ‘B’ combination of the matrix represents the absence of whistle blower protection law.

The ‘C’ combination of the matrix represents presence of whistle blower protection law and procedure but lack of effective protection measures included in the law. In this case there is a need to assess the nature of protection measures adopted by the law and perception of employees about the protection measures included in the law. This helps in identifying the gap that exists between law and perception. Thereby necessary provisions can be incorporated based on perception of employees.

The ‘D’ combination of the matrix represents the absence of policy and law, absence of procedure but presence of protection. In this case the protection factors are considered by the whistle blower himself/herself. The whistle blower plays a safe game while blowing the whistle by considering precautionary measures. There can be two types of whistle blowers in this case. Firstly, the person who observe wrongdoing and keep silent. So he assumes himself to keep quiet. Keeping quiet is a precautionary measure taken by non-whistleblower. Non-whistleblower is a person who observe wrongdoing in his/her organization, but who intends not to report. Secondly, active and cautious whistle blower. This type of whistle blower actively participates in whistle blowing by taking self precautionary measures. The nature of such type of whistleblower will be cautious, courage and act independently and with artificial and emotional intelligence.

The ‘E’ combination of the matrix represents presence of whistle blower protection law, absence of whistle blowing procedure and presence of protection. In this case the law does not include about disclosure mechanism and procedure for investigation, but still there can be protection to whistle blowers. Here, the informal procedure may influence the protection of the whistle blower. Again similar to case ‘D’. The nature of whistle blower influences the protection of himself/herself.
The ‘F’ combination of the matrix represents absence of whistle blower protection policy/law, presence of procedure for disclosure mechanism, but still lack of protection for whistle blowers. In this case the informal procedures in absence of whistle blowing policy leads to unprotected whistle blowers. The procedures practiced for disclosure may harm the whistle blowers.

The ‘G’ combination of the matrix represents lack of whistle blowing policy, but still can find procedure for disclosure and protection of whistle blowers. In this case though the whistle blower use the informal procedures for disclosure, the nature of whistleblower using that informal system for disclosure influences the protection of whistleblower. This case is similar to ‘D’ and ‘E’ where the nature of whistleblower plays an important role for protection of himself/herself.

The ‘H’ combination of the matrix represents presence of whistle blower protection law but lack of procedure for disclosure mechanism and protection measures for protection of whistle blowers. In this case though the law exists with intention of protecting the whistleblowers, there is lack of procedure for disclosure and thereby not protecting the whistle blowers. Here, there is a need to incorporate effective procedure for whistle blower mechanism and required protection measures by understanding the perception of employees on whom such law is applicable. The ‘H’ combination of the matrix is similar to ‘C’ combination of the matrix.

At the later stage the 8 combinations of the matrix can be reduced to 5 combinations. The common combinations results in the following identifications.

1. Existence of effective and efficient whistle blower protection law. (‘A’ combination)
2. Need for whistle blower protection Law. (‘B’ combination)
3. Need for Whistle blower policy and effective Disclosure mechanism. (‘F’ combination)
4. Need to understand the nature of whistle blower. (‘DEG’ combination)
5. Need for training of whistle Blowers. (‘HC’ combination)

Based on the above combinations the following suggestions could be given.

1. Need for whistle blower protection law.
2. Need for effective disclosure mechanism.
3. Need for training of whistle blowers.

When the whistle blower protection law has all the above 4 factors then such law will be considered as an effective and efficient whistle blower protection law.
7.6 FURTHER SCOPE FOR RESEARCH

a. The demographic factors are uncontrollable factors affecting whistle blowing and organization factors are controllable factors affecting nature of whistle blowing.

b. The role of trade union must be redefined. There is no hope on trade union among employees in the bureaucratic setup.

c. The development of Whistle Blowing Principles.
7.7 CONCLUSION

The findings revealed that the level of awareness among employees in Karnataka State Public Enterprises is low. The demographic factors are uncontrollable factors affecting whistle blowing nature, organization factors are controllable factors affecting whistle blowing. There is absence of formal whistle blowing mechanism. In absence of formal mechanism employees follow the informal system in the formal hierarchical organization structure by reporting to immediate superiors and by using anonymous letters. The study also revealed the employees feel the need for training programmes on whistle blowing to be arranged, which can provide safety for whistle blowers and ensures effectiveness of such training programmes. Where, presently the employees in Karnataka State Public Enterprises are not getting any such training programmes on whistle blowing. The training is also essential which fills the gap that exists between employee practice and law. The law is mainly relating to whistle blower protection law for Karnataka State Public Enterprises. Though the vigilance commission exists, it is not found in the state. The study also revealed there is need for protection measure to protect whistle blowers by State enterprises. Presently there is no protection measure adopted to protect whistle blowers in Karnataka State Public Enterprises. The employees opine there is lack of organization support, top management support, peer group support and trade union support for blowing the whistle. The employees consider precautionary measures to protect themselves on one side and there are in agreement that there is need for institutionalization of whistle blowing practice as a protection measure on other side.

The study can be concluded by saying whistle blowing principles are very essential for success stories of whistle blowing by employees in any organization. In the present scenario of Public Sector Enterprises the present study contribute to curb corrupt practices if any by creating win-win situation. By adopting whistle blowing principles it is possible to encourage good and discourage bad. The whistle blowing with mechanism solves most problems arising out of whistle blowing without mechanism. The effective combination of whistle blowing policy, whistle blowing procedure (mechanism), and principles to be considered while blowing the whistle provides the required protection to safeguard the interest of all.