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The Federal Sentencing Guidelines provide the seven essential elements for a successful compliance program, not the least of which includes the ethics reporting hotline. You have implemented every element of an effective compliance program and permeated expectations both up and down the organizational structure. But, it is organizational culture which may derail even the best planned compliance program.

Author and management consultant Peter Drucker is credited with addressing this problem in stating “Culture eats strategy for breakfast.” Certain psychological effects, such as the hierarchical mum effect, may drive an organization’s culture and prevent an effective ethics reporting hotline.

The hierarchical mum effect is the result of insincere communication of unfavorable news by a subordinate to a supervisor. Under this effect, the subordinate withholds sincere upward communication when the information is considered unfavorable, in an effort to protect the subordinate-supervisor relationship. A similar concept, the Yes Man, is the subordinate who rarely, or never, disagrees with the supervisor’s direction or statements. The theory of the Yes Man closely resonates to the hierarchical mum effect, as Keil contends, in stating the top reasons why corporate projects fail, including staff inaccurately reporting project status and that executives may tend to ignore bad news. In the context of management and leadership theory, the hierarchical mum effect presents insincerity and persists despite known research and consequences to team performance.

Another related concept to the hierarchical mum effect is that of workplace whistleblowing, or the practice of speaking up against workplace improprieties. Chinn, Mufson, and Martin and Cassematis and Wortley identify the converse of remaining mum to unethical situations challenges a worker’s ability to identify internal risks and opportunities for improvement.

Subordinates were found to be more indirect in communicating bad news than supervisors communicating equally bad news.

The internal structure of organizations may influence the existence of, or how welcome employees are to use, a whistleblowing procedure.

Plasticity theory is the tendency of subordinates to mold their behavior to that which satisfies what the subordinate perceives to be the supervisor expectations.

by Jeremy Beakley

Whistleblowing and the hierarchical mum effect
mum in the workplace, by speaking out against illegal or unethical workplace practices through whistleblowing and by doing so, identifying opportunities to improve the organization and protect stakeholder interests. Yet, whistleblowing is closely associated to the problems associated with the mum effect. Illinois University cites workers option to remain mum, despite anonymous or confidential communication channels such as ethics hotlines, due to “doubt that management would act or fears of retaliation, including losing their jobs.”

**Mum effect**

Many researchers agree the value added by knowledgeable employees helps transform organizations into high-performance systems with sustainable competitive advantages. Leadership’s inability to collect and implement such knowledge is an obstacle to maximizing competitive advantage. One such obstacle to effective subordinate-supervisor communication is the mum effect. The mum effect is the reluctance of a communicator to give recipients negative or unfavorable news. Specifically, the communicators fear harming relationships with the recipients of the news.

Tesser and Rosen introduced the mum effect in an examination of the similarity of objective fate as a determinant to transmit unpleasant information. They hypothesized the reluctance to communicate bad news is due, in part, to guilt of not disclosing more favorable news. In a learning experiment, Tesser and Rosen positioned participants to either communicate bad news or positive news, both of which the communicator and news recipient would experience a similar fate. The experiment included the transmittal of a very minor, low-voltage shock to both the communicator and news recipient in the event of bad news. Neither received a shock in the event good news was shared. Additional conditions included the announcement of mixed news, in which the communicator did not receive a shock, but the news recipient did. The recipients of the bad news were conditioned to respond as though receiving extreme pain. The measurement of the experiment was the communicator’s level of guilt for communicating the bad news and the anticipation of transmitting pain to the other. Tesser and Rosen’s experiment confirmed a correlation between the transmittal of bad news and guilt, and the communicator’s desire to not communicate the bad news. The greatest sense of guilt was when the communicator received no shock but the news recipient did, a dissimilar fate. Tesser and Rosen conclude several factors associated with negative news-telling, including guilt, fear that the recipient would form a negative association of the communicator with the news itself, and the psychological conditioning the news communicator undergoes to present negative news.

Weening, Groenenboom, and Wilke countered predispositions of the mum effect, suggesting the relationship of communicator and news recipient are facilitating factors in the feeling of guilt when transmitting bad news. They suggest a close relationship
between the communicator and news recipient may mitigate the reluctance to communicate unfavorable information. That reluctance is further mitigated if the unfavorable information has uncertain consequences, or even if the bad news may have helpful results.

Yariv countered Weening, et al.'s position that close relationships and helpfulness of bad news are mitigating factors to the mum effect. Yariv discussed communicators’ willingness to provide negative feedback to recipients both before and after soft negative feedback coaching sessions. Yariv identified that despite effective coaching techniques for giving negative information, bad news communicators continue to prefer to remain silent, or mum, over the secondary option of directly communicating negative news, or the tertiary option of providing negative information in writing.

Moral mum effect
Bisel, et al. explored the mum effect in terms of ethical alignment of opinions and statements in the workplace. Both subordinates’ and supervisors’ tendency to respond to ethical questions with ambiguity was identified as the moral mum effect. Regardless of position within the workplace hierarchy, “most workers did not label the unethical request as unethical.” The researchers examined workplace activities and found that for most workers, communication is a key (if not primary) component of a job function. Remaining mum to unethical situations, in turn, permeates most workers very job function and challenges a worker’s ability to identify internal risks and opportunities for improvement. Bisel, et al. defined “facework,” as the risk that “to [offend] the boss is to risk job security.” They recommend that management do some internal questioning and surveying to self-assess their actions and to develop a positive culture of information sharing. This internal questioning may be potentially biased, however, if the respondents themselves fear self-identifying their behavior as unethical and fear offending their own supervisor or upper-management. Thus entails a continued question of how to obtain unbiased recognition of the existence of an unethical or mum effect inspiring workplace cultures.

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Hierarchical mum effect
Ploeger, et al. furthered the investigation of the mum effect as an inquiry of organizational ethics. In this study, subordinate communicators were found to be more indirect in communicating bad news than supervisors communicating equally bad news. Thus, they identify the hierarchical mum effect. This study presented subordinates and supervisors with equally unethical business requests and measured within the command structure the use of linguistics and varying degrees of denial directness. Specifically, Ploeger, et al. indicate “females, younger workers, and those with the least work experience are most indirect in denying an unethical request.”

Marler, et al. examined the relationship of organizational norms and self-monitoring
Proposition 2: Supervisors are motivated by the context of the command structure to protect their own public self-image when communicating with subordinates.

Proposition 3: Supervisors are not motivated by the context of the command structure to protect their subordinates’ public self-images when communicating with subordinates.

Proposition 4: Subordinates are motivated by the context of the command structure to protect their own public self-image when communicating with supervisors.

Proposition 5: Subordinates are motivated by the context of the command structure to protect their supervisors’ public self-images when communicating with supervisors.

Proposition 6: Supervisors’ public images are more threatened by negative feedback from their subordinates than subordinates’ public images are threatened by negative feedback from their supervisors.

Proposition 7: Subordinates tend to use silence or equivocation when they perceive a disagreement with their supervisors to be threatening to their supervisor.

Proposition 8: The hierarchical mum effect is increased by perceptions of high structural and functional distance in the supervisor-subordinate relationship as compared to supervisor-subordinate relationships characterized by low structural and functional distance.

Proposition 9: Anonymous feedback channels (when used frequently and heedfully by top-level decision makers) moderate the association between structural and functional distance in supervisor-subordinate relationships and organizational learning outcomes.

The results of this study present opportunities for future research to specifically explore socialized expectations...
and organizational cultural that suppress dissent, and in turn suppress adaptation. Additionally, opportunities exist to further Bisel, et al.’s research to examine subordinate’s and supervisor’s perceptions of the relative severity of face-threatening actions inherent in sharing negative communication. Such face-threatening actions may be necessary for organizational learning, problem identification, and innovation. As Bisel, et al. address, anonymous feedback channels through established workplace whistleblowing procedures may assist sincere communication.

**Whistleblowing**

Whistleblowing is closely related to the hierarchical mum effect in that employees may choose to anonymously or confidentially speak up, but not directly to their supervisor in fear of retribution as identified under the side effects of the hierarchical mum effect. According to Callegari and Ray, a whistleblower identifies unethical or illegal practices in the workplace, but fears communicating such bad news through chains of authority or supervision. Instead, the individual communicates the alleged observations through confidential or anonymous reporting mechanisms, such as reporting hotlines, email, or surveys. Bisel, et al., in addressing means of reducing the hierarchical mum effect, specifically identify the use of anonymous channels of communication to encourage honest and open communication. Such channels of communication are also standard practices to ensure workplace compliance to rules and regulations in the identification of illegal practices, as recognized by the United States Sentencing Commission.

However, a study by Brennan and Kelly found that the internal structure of organizations may influence the existence of, or how welcome employees are to use, a whistleblowing procedure. Apaza and Chang found through their case study that the existence of whistleblowing mechanisms within organizations not only greatly reduced wrong-doing but also improved day-to-day supervisor-subordinate communications. Although such channels encourage communication, the question still remains as to what leadership qualities necessitate the need for anonymous reporting in lieu of direct reporting. Worse yet, the practice of reporting workplace improprieties becomes increasingly worrisome to subordinates, according to Cassematis and Wortley and PCAW, because whistleblowers in some instances are identified, despite efforts to remain anonymous, and receive unfair treatment by their peers and employers, thus requiring legislative actions to further protect whistleblowers.

**Plasticity theory**

A common theme associated with the hierarchical mum effect is that of self-esteem. Payne cites Brockner’s plasticity theory in stating, “individuals with low self-esteem rely more extensively on external cues and
as a result are more ‘plastic’ in molding their behavior of others.” French18 explains the tendency of subordinates to mold their behavior to that which satisfies what the subordinate perceives to be the supervisor expectations. The review of literature regarding plasticity theory progressed from organizational self-esteem, to desire to fit into the organizational social structure, and continued to an examination of organizational norms and ethics in decision-making and communication of undesirable information. The mum effect and resulting hierarchical mum effect are, at their root, associated with plasticity theory.

Plasticity theory may reflect the chosen behavior of those individuals who opt to remain mum in lieu of whistleblowing. Cassematis and Wortley5 recognized the potential threats to the job security of whistleblowers and, armed with this knowledge, that would-be whistleblowers may fear for their job safety. Moreover, recognizing the behaviors of other members of the organization, who may promote and enjoy job security despite recognizing illegal or unethical business practices, would-be whistleblowers may mold their behavior to match those other workers. This consequential mum effect in turn fails to uncover threats to the organization’s integrity, because some whistleblower protections may fail to actually protect individuals.

**Conclusion**

Although “tone at the top” may be, arguably, over-emphasized and cliché, inadequate attention may be given to the “buzz in the middle.” Psychological influencers, such as the hierarchical mum effect, are a result of strained subordinate-supervisor relations that strongly influence both the tone and the buzz. Consequently, senior leadership’s attention to the acquisition and cultivation of effective management may help mitigate the presence of conditions which foster a mum-environment. As compliance professionals, it is important that we recognize the risks of not only the actions and statements of employees, but also those statements which are not being said and why they are not being said.


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