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The intention to report fraud: Anonymous reporting channel in a China company

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ABSTRACT

With the increase of financial fraud occurred in companies and the rising difficulty to detect, it is significant for companies to set up internal reporting program. As previous study shows that anonymous reporting channels encourage more employees to report, at least the intention to report, so this study addresses the related field and extends it to other issues may influence reporting intention. This study examines whether the reporting intention is increased by anonymous reporting channels under the influence of an environmental factor (tone at the top) and an individual factor (proactivity). The results prove that reporting intention is higher for anonymous reporting channels than non-anonymous channels. In the meantime, if a company has aggressive tone at the top, anonymous reporting channels are more preferred; if a whistleblower has low proactive, they are more willing to choose anonymous channels. The ancillary result is no major difference is found between non-anonymous channel and anonymous to a supervisor, which is different from results found by the westerns.

Keywords: *anonymous reporting channel; whistleblowing; tone at the top; proactivity*

I. INTRODUCTION

Several previous studies study the effect of reporting channel anonymously. In an experiment, Kaplan and Schultz (2007) find that the existence of anonymous channels reduces the possibility of reporting to non-anonymous channels. Curtis and Taylor (2009) accomplish a survey, which reveals that reporting intentions under a disclosed identity format are significantly low, and there is no major difference in reporting intentions between anonymous and protected identity formats. Kaplan, Pany and Samuels (2012) further examine the reporting channels preferred by witnesses through a research. They find witnesses' reporting intention to an anonymous channel is higher than to a non-anonymous channel only when a previous whistleblowing result is undesirable to whistleblowers.

More or less, a company may encounter fraud, whether it is conducted by a CEO or employees. Xinwei (2019) discovered that since 2018, 75 listed companies or directors have been investigated for illegal behaviors, which has almost 30% year-on-year growth. Since the fraud is more difficult to reveal, effective whistle-blowing processes aid as an important control method to prevent and detect misconduct and questionable act. Internal reporting is usually more desired than external reporting for various reasons. Near and Miceli (1995) claim that managers prefer whistleblowers to use internal channels in place of external channels "so that the firm's dirty linen is not aired in public." Meanwhile, according to Henriksson (2019) the cost of reporting fraud internally is less than externally. In 2018, the Association of Certified Fraud Examiners argues that fraud losses were 50% lesser at organizations with whistleblowing channels than those without. Also, the Federal Organizational Sentencing Guidelines offering the likelihood of an organization sentenced to have its fines or punishments is lower if it builds ethics program that includes internal whistleblowing channels (Dworkin and Near, 1997).

Hayes et al. examine an anonymous reporting channel plus a non-anonymous reporting channel (dual channels) as compared to a situation when only a non-anonymous reporting channel exists. Based on the above study, the knowledge gap is what is the Chinese employee's attitude to anonymous reporting channels. The question raised for this study is "Whether anonymous reporting channels can increase whistleblowing when detect accounting fraud in China?" The objective of the study is to analyze in a Chinese company, if anonymous reporting channel can increase the intention to report for whistleblowers affected by tone at the top and proactivity.

This study extends study done by Hayes et al, from non-anonymous to manager to fully anonymous; as well as the participants are changed from U.S. citizens to Chinese accountants and auditors. The company culture and personal relationship between China and the U.S. are very different. In Chinese people emphasize more on networking, which may cause the fraud solved privately, but not follow company policies strictly. This may affect the whistleblowers as compared to the U.S. Therefore, this study aims to explore the decision of Chinese whistleblowers.

For this study, a major hypothesis is anonymous reporting channel will increase the reporting intention of whistleblowers. The study is conducted through online questionnaire, which has 106 accountants or auditors working in Zhejiang Provincial Erjian Construction Group Ltd. Main findings of this study are anonymous reporting channel increases reporting intention. Aggressive tone at the top and low proactivity people are more tended to choose anonymous reporting channel.

The remainder part of this paper is ordered as follows. The next part reviews related literature and develops hypotheses. This is followed by sections on experimental design, method and results. The interpretations of the results and limitations of this study are in the final part.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Fraud is an eternal topic for companies, directors and individual employees. There are lots of researches did to analyze fraud. In regard to fraud reporting channel, most of them believed that anonymous reporting is a favorable way to detect fraud.

Reporting Channels

For non-anonymous reporting, witnesses can directly call a journalist or write letter to regulatory agencies to reveal any unlawful acts. As mentioned above, companies prefer whistleblowers to uncover these behaviors internally, as external reporting may damage companies' reputation and cause high litigation risk. Various anonymous reporting channels are practical, ranging from hotlines managed by internal auditors or hired from external accounting firms; reporting within the company throughout reporting to an external source which is independent from the company for instance a service provider.

Anonymous reporting channel is anticipated to increase individuals' inclination to report doubtful acts by reducing the risk of retaliation and other undesirable consequences. Some have questioned the effectiveness of these channels in practice. From one perspective, Miceli et al. (2008) point out a list of obstacles for anonymous reporting channels. For example, when strict confidentiality is preserved and the listener of the anonymous hotline truly does not get the name of the whistleblower, difficulties occur when further details are required related to potential fraud situations. It is not often that the whistleblower will contact the hotline at a point in the future for advanced investigation, even if they are asked to. The whistleblowers tend to remain silent to protect themselves.

Base on the previous studies, this study demonstrates the effect of anonymous reporting channel is rely on factors of an environment variable (tone at the top), and an individual variable (proactivity). A hypothesis generated as follows:

H1: The reporting intention is significantly different between non-anonymous and anonymous channels; but little difference between non-anonymous to supervisor and fully anonymous channels.

Tone at the Top

Tone at the top includes the manner in which the board of directors and management demonstrate (through their directives, actions, and behaviors) the importance of integrity and high ethical standards in support of the system of internal control. (Hayes et al.) Dalton and Radtke (2013) discover that a strong ethical environment (which includes tone at the top) increases whistleblowing intention and behavior. Taylor and Curtis (2013) conduct a research within an audit environment by controlling whether the corporation takes responsive measures against unethical behaviors. They notice that when the corporation response is strong and timely, whistleblowers are more likely to report fraud to supervisors than coworkers. Without a strong reaction, whistleblowers are tended to report to coworkers. As mentioned before, the possible consequences according to earlier reporting such as retaliation may affect the intention to report. So whether the whistleblowers know the past results dealt by the corporation is important. This study provides information for participants about the tone at the top of their company, and they are told that they have no extra information on past whistleblowing results in the company. In this way, the only influence the participants should think is the tone at the top without other distractions.

The researcher believes that anonymous reporting channels are likely to lead to rising increase in the probability of reporting intention when an aggressive tone at the top exists. Because in such situations, managers eager to pursue profits and have little tolerance for failure, so a higher fear of punishment should occur for non-anonymous whistleblowing. When a

moderate tone at the top exists in the company, the supposed reporting costs are considered to be lower, and the effect of the anonymous channel reduces. The first hypothesis generated as follows:

H2: When an organization has aggressive tone at the top, anonymous reporting channels will increase reporting intentions as compared to a non-anonymous reporting channel.

Proactivity

According to Crant (2000), a proactive person obtains opportunities for improving things from his own initiative and are relatively not be constrained by environmental factors. Proactive people are more likely to take charge to the extent that they have an internalized sense of responsibility for changing the workplace, believe in their own capacity to perform, and view top management as supportive. Miceli et al. (2008) state that a proactive character rises the likelihood of whistleblowing. Brink, Cereola & Menk, (2015) examine whether witnesses' personality qualities and moral level are connected to their whistleblowing intentions. They apply the Big Five Factors (extroversion, openness to experience, conscientiousness, neuroticism, and agreeableness) to measure personalities; and find a positive relation between the existence of higher levels of the alpha traits (agreeableness, conscientiousness and neuroticism) and whistleblowing behaviors. Those alpha traits people present similar characteristics to high proactive people.

Zhang et al. (2013) believe that low proactive people rely more on the reporting channels as compared to highly proactive people. Consequently, low proactive participants were less likely to use internal non-anonymous reporting channels than to those who are high proactive. No big differences were discovered if external reporting channels were used. Moreover, highly proactive people presented little difference when determined to use either internal or external reporting channels. What remains unanswered is whether the choice to use a non-anonymous or an anonymous reporting channel can cause equal intention to report ranging from highly proactive to low proactive people. Accordingly, a hypothesis is stated as follows:

H3a: The reporting intentions for highly proactive people will be greater than less proactive people.

H3b: The reporting intentions for highly proactive people will change slightly in regard to different reporting channels; while for less proactive people, the reporting intention for an anonymous channel will be greater than for a non-anonymous channel.

III. RESEARCH METHODOLOGY

The research is designed as a crossed between participant's experimental in which participants decide whether to report a financial fraud incident when they are aware of. The researcher manipulates reporting channels (fully anonymous, non-anonymous to supervisors and non-anonymous) and tone at the top (moderate and aggressive). The study measure personality proactivity, which classify as either high or low.

Participants

106 participants were recruited from the accounting department in Zhejiang Provincial Erjian Construction Group Ltd. The participants are required to be accountants or auditors having working experiences at least for two years. All participants were asked to sign a research instrument form first to guarantee the whole process of this research remains confidential. The questionnaire was in Chinese, which was translated into English in this paper.

Participants in this study were 66 percent female and around 70 percent of them have more than 10 years working experiences. Further, most of them did not experienced whistleblowing incidents; but quite few of them realized this kind of situations during their career. Table 1 summarizes the demographical information of the participants.

TABLE 1
Demographical Data

Discrete Measures		
Variable Description	n	%
Gender		
Female	70	66%
Male	36	34%
Work Experience		
2-5 years	18	17%
5-10 years	16	15%
More than 10 years	72	68%
During my working experience, I have encountered a person with higher authority involving in questionable or wrongful behavior.		
Yes	26	24.5%
No	80	75.5%
I have been experienced a work-related whistleblowing incident (reporting questionable behavior).		
Yes	7	6.6%
No	99	93.4%
I realize whistleblowing occasions at my present or previous job that did not involve me directly.		
Yes	38	36%
No	68	64%

Experimental Case

All participants were given a case. The case describes that a construction company with stable operational income that does not meet the financial targets, which is also below the industry average. The CEO and board of directors are planning to make the company outperform the industry average for the current year. The case described the procedures relating to reporting doubtful practices or case of questionable behaviors. Then, the participants were asked to play the role of assistant sales managers. A suspected dishonest act was described that violated Chinese Accounting Standard (CAS) revenue recognition principles. The violation contained the sales manager backdating several sales records occurring in the current 2019 and including them in 2018, so as to meet financial analysts' forecasts. Any previous reporting of questionable acts related information would not be provided.

Independent variables

Reporting Channels

The reporting channels set in this study are: (1) fully anonymous (2) non-anonymous to a supervisor and (3) non-anonymous to the public. For the fully anonymous channel, participants can choose to use telephone hotline, which has voice changer and encrypted circuit to protect their confidentiality. Clear information about how the telephone hotline is

administered and how this reporting channel remains anonymous and confidential were provided to the participants. In addition, the information also included that the hotline receivers always give an exclusive code number that allows the reporting employee to check on the status of any investigation that connected to his whistleblowing in private.

For the non-anonymous to supervisor, participants were offered the opportunity to report suspected wrongful acts to their direct supervisors. However, if their supervisors were under suspicion, then to another appropriate supervisor who is independent. The participants were informed that reporting to their supervisors requires whistleblowers to identify themselves, which means the report were not anonymous within a small range.

For the non-anonymous to the public, participants could either select to send an open email to the whole company or report in real-name to the supervision department or contact newspaper reporters. No information about the past outcomes or probable results that may happen to them would be provided. The only factor that affected the whistleblowers was the reporting channel, and any possible negative results were responsible for themselves.

Tone at the Top

The top of the organization is controlled within two dimensions: moderate and aggressive. The manipulations include (a) the measure of financial reporting, (b) the emphasis on reaching or outperforming stock market profit expectations, (c) the chair of the board of directors, (d) the structure of the board of directors, and the last one (e) the general corporate governance and accounting policies for external auditors.

For moderate tone, the measure of financial reporting is relatively moderate. It does emphasize on reaching expectations, but accurate financial reporting gains more attention. The chair of the board of directors is an independent director. The board of directors composes a group of experts who are informed timely and closely about the strategy of the company and often raise questions to CEO for concerning about the company. For the last control, the corporate governance appears to be strong.

For aggressive tone, the measure of financial reporting is very aggressive. It emphasizes greatly about the performance. The chair of the board of directors is the CEO. The board of directors composes relatives or close friends of the CEO who usually will not challenge the authority of the CEO and raise few questions. For the last control, the corporate governance is very strong and might be strengthen if the performance does not meet expectations.

Proactivity

Proactivity was measured using the different scale that Seibert et al. (1999) abstracted from the Bateman and Crant (1993) original questionnaire. Participants replied questions by showing their personal acknowledgement for each of the statements. For instance, some items are typical in the questionnaire include, "I am good at recognizing opportunities," and "If I see something that doesn't satisfied with me, I will change it." Participants shows their level of agreement on the seven-point scale ranging from 1 = "strongly disagree" to 7 = "strongly agree." A dichotomous variable (proactivity) was made according to splitting the scores in median, in order to classifying participants as having either high or low proactivity.

Dependent variable

Reporting Intention

All participants were asked to decide their reporting intentions when they finished reading the case. Specifically, participants were asked, "How likely is it that you would report this wrongfully act?" Responses are limited on an eight-point scale, varying from "Extremely Unlikely" (0) and "Extremely Likely" (7).

IV. RESULTS

Test of Hypothesis 1

H1 claims that the reporting intention is significantly different between non-anonymous and anonymous channels; but little difference between non-anonymous to supervisor and fully anonymous channels. According to Table 2, Panel B presented in the following, for both aggressive and moderate tone at the top, the statistical differences between anonymous channel and non-anonymous channel are roughly 2 (5.17-3.18) or 1 (4.53-3.52). While the difference between non-anonymous to supervisor and non-anonymous channel are 0.58 (3.76-3.18) or 0.06 (3.58-3.52). According to the data from Panel C, for low proactivity, the difference between anonymous channel and non-anonymous channel is roughly 0.7 (4.3-3.59); but between non-anonymous to supervisor and non-anonymous channel, the difference is 0.18 (3.77-3.59). The above results prove the hypothesis 1 partially. On the whole, an anonymous channel is preferred for reporting over a non-anonymous channel, which supports the former part of the hypothesis. However, in this study, there is no significant difference between non-anonymous to supervisor and non-anonymous channel, which is against the latter part of the hypothesis.

Test of Hypothesis 2

Table 2, Panel A shows the analysis of variance (ANOVA) results. H2 predicts when an organization has aggressive tone at the top, anonymous reporting channels will increase reporting intentions when comparing with the non-anonymous reporting channel. Within expectation, tone at the top (T) is significant to the reporting channels (C) as showed in Table 3, Panel A (F=8.517, p = .004). This result provides side support for H1. According to Panel B, when the tone at the top is aggressive, the anonymous reporting channel increases the reporting intention to a mean of 5.17 compared to the non-anonymous reporting channel mean of 3.18. This is also same to the moderate tone, which increase from a mean of 4.53 to 3.52.

TABLE 2
Analysis of Variance (ANOVA)
Dependent Variable: Reporting Intention *

Panel A: ANOVA Table

Source of Variation	SS	Df	MS	F	p-value
Channel (C)	164.65	1	164.66	634.160	9.85E-26
Tone (T)	94.45	1	94.45	132.282	3.47E-08
Proactivity (P)	15.24	1	15.24	2.562	.113
T x C	53.68	1	53.68	8.517	.004
P x C	5.87	1	5.87	24.750	<.001
Total	709.09	105			

* Dependent Variable: "How likely is it that you would report this wrongfully act?" An eight-point scale is using, varying from "0 Extremely Unlikely" and "7 Extremely Likely").

Panel B: Treatment Means (Standard Deviations)

		Reporting Channel			Overall
		Non-Anonymous	Supervisor	Anonymous	
Tone	Aggressive	3.18 (2.50)	3.76 (2.61)	5.17 (2.15)	4.04 (2.59)
	Moderate	3.52 (2.49)	3.58 (2.72)	4.53 (2.63)	3.88 (2.59)
Overall		3.35 (2.50)	3.67 (2.65)	4.85 (2.45)	

Test of Hypothesis 3

Results for H3a (The reporting intentions for highly proactive people will be greater than less proactive people.) showed in Panel C. The overall mean of high proactive participants who were willing to report fraud is 5.37. This is visibly higher than those low proactive people, who have a mean of 3.87 to report.

H3b states that the reporting intentions for highly proactive people will change slightly in regard to different reporting channels; while for less proactive people, the reporting intention for an anonymous channel will be greater than for a non-anonymous channel. As shown in Table 2, Panel A, the relationship between reporting channel (C) and proactivity (P) is significant ($F=24.750$, $p = <.001$), which supports hypothesis 3b. As shown in Panel C, for high proactive people, the reporting intention between different reporting channels changes slightly, which are all around 5 to 5.5 scales. On the other hand, for low proactive people, it changes from 3.59 to 4.30 in terms of non-anonymous and anonymous channels.

Panel C: Treatment Means (Standard Deviations)

		Reporting Channel			Overall
		Non-Anonymous	Supervisor	Anonymous	
Proactivity	Low	3.59 (3.02)	3.77 (2.57)	4.30 (2.64)	3.87 (2.62)
	High	5.10 (3.33)	5.34 (3.21)	5.66 (2.41)	5.37 (3.08)
Overall		4.35 (3.13)	4.56 (2.67)	4.98 (2.44)	

V. DISSCUSSION

The first result of this study is the reporting intention is significantly different between non-anonymous and anonymous channels; but little difference between non-anonymous to supervisor and non-anonymous channels. This result is half support and half against the hypothesis 1, which assumes that little difference exists between non-anonymous to supervisor and fully anonymous channels. This outcome is different from the survey done by Curtis and Taylor (2009), which reveals that there is no major difference in reporting intentions between anonymous and protected identity formats.

To explain this divergence, the researcher believes that Chinese people are tend to be more conservative and suspicious about the relationship with colleges and superiors. It is widely accepted in China that as long as one person know something, others may also know it sooner or later either through private conversation or gossips and rumors spread publicly. Therefore, non-anonymous to supervisor seems to be equal to non-anonymous channels in a way. From another perspective, this results also exposes the trustworthiness of company management and governance are relatively low among employee's impression. This can further be reflected through the result of this question: "If you report the wrongful act, how likely it will be investigated thoroughly by the company?" Less than 40% of the participants selected within 10 (strongly likely) to 8. This is quite low, since many of them do not have the confidence that the company will attach importance to fraud reporting, not to even mention taking measures to solve it.

The second statement generated is when an organization has aggressive tone at the top, anonymous reporting channels increase reporting intentions as compared to a non-anonymous reporting channel. This result supports hypothesis 2, and not only for aggressive tone, but also the same to moderate tone. Difference between two tones also exists. For aggressive tone, the amount of increase from anonymous to non-anonymous channels are larger than moderate tone. This may because managers in aggressive tone care more about performance and profitability. If fraud reporting harms the departmental profit and performance assessment of the manager, the whistleblowers have higher risk of being suspended, reassigned or be put to trouble deliberately. Under this circumstances, anonymous reporting channel is the idealist method to uncover fraud and the cost of reporting is somewhat low.

The variable tone at the top is an environmental factor. In the real world, situations can be much more complicated when refer to environmental factor that influence the reporting intention. In reality, many factors will be intertwined with each other and affect reporting intention simultaneously. But for operation concern, it is practical to only have tone at the top one, which is a general and major factor comparing with those minor or more abstract factors.

The last conclusion is the reporting intentions for highly proactive people is greater than less proactive people. Meanwhile, the reporting intentions for highly proactive people change slightly in regard to different reporting channels; but for less proactive people, the reporting intention for an anonymous channel is greater than for a non-anonymous channel. This supports hypothesis 3. The result supports a similar study addressed by Zhang et al. (2013) which find a significant interaction between reporting channel and proactivity. This results are reasonable because high proactive people have higher intention to make changes or corrections if they perceive wrongful acts, so they will report fraud regardless of different channels. This is proved by the means of reporting intention in this study, which number are floating between 5.1 and 5.7 in terms of three channels. The amount change is slight if compares to the amount for low proactive people. When refer to less proactive people, they are hesitating to defend themselves if they encounter frauds or help colleagues if others face with ethical dilemma. They do not want to take potential risk and appear to be more passive. Therefore, the reporting

channel really matters and anonymous reporting channel is more popular because only in this way can the whistleblowers feel protected.

Limitations

This study has several limitations. First, the sample size is not large enough and only targets on one specific company. Further study may expand the amount and geography of the participants. Next, this study does not consider the size of the companies. According to Johansson & Carey (2016). “the positive association between anonymous reporting channels and reported fraud is significant in smaller companies, but not in larger companies.” The company chosen in this study has relative large economic scale among construction companies in China. Another limitation for this study is it does not consider other organizational factors, such as ethical environment including employee training, procedural justice, history of outcomes, anti-retaliation policies, compensation for whistleblowers, third-party supervision and so on.

Reliability and Validity

This study follows a similar pattern observed by Hayes et al. before. The participants chose are all accountants or auditors, among which, around 70% of them have more than ten years working experiences. This guarantees the professionalism of the participants, which make the results more reliable. For data analysis, this study uses regression analysis. The variables were tested through KMO and Bartlett’s test. For KMO test, reporting channel, tone at the top and proactivity has 0.741, 0.858 and 0.667 accordingly, which are all above 0.5 and prove the results are useful. For Bartlett’s test, the significance for all three variables are equal to 0.000, which indicate significance.

Theoretical Contribution

This study mainly focuses on the attitude of Chinese employees to anonymous reporting channel and reporting intention. Chinese people are more cautious about reporting to supervisor, which is different from previous study focuses on the U.S. auditors. For further study, future researchers may consider to compare employees from various size of companies.

VI. CONCLUSION

To sum up, this study proves anonymous reporting channel can increase the reporting intention of whistleblower comparing with non-anonymous reporting channel. Aggressive tone at the top and low proactive people are more likely to choose anonymous reporting channel than moderate tone and high proactive people. Participants in China seem to treat non-anonymous to supervisor similar with non-anonymous reporting channel, which is different from previous studies.

APPENDIX

Case Information

Situation

Background: You are a sales assistant and are responsible for shipping within A Company. You report to the sales manager; while he reports to the vice president of sales and marketing. You have worked in the sales department for three years and were promoted to this position one year before. You have a friendly working relationship with your manager over the years; but little private relationship out of work. Your evaluations and promotions are proposed by the manager and approved by the vice president.

Incident: In January, 2019, you discovered that the manager had deliberately backdated several 2019 sales records to year 2018 totals. Although these are effective sales, this violated the revenue recognition of China Accounting Principles. Due to the overstated sales, the company proclaimed earnings per share of ¥ 1.2, which met the financial analysts' anticipations. However, if the sales were reported as normal as it should be, earnings per share would have been only ¥ 1.03, which below the expectations. Thus, the incident overstates 2018 income (and then will later be "self-corrected" by understating 2019 income).

Questionnaire

Demographic Questions:

1. Gender: _____ Male _____ Female
2. Age: _____1990- _____1980-1989 _____1970-1979 _____1960-1969
_____ -1959
3. Marital status: _____ Married _____ Single
4. Years of full-time work experience: _____2-5 Years _____5-10 Years _____ More than 10 years
5. During my working experience, I have encountered a person with higher authority involving in questionable or wrongful behavior: _____ Yes _____ No
6. I have been involved in a work-related whistleblowing incident (reporting questionable behavior)? _____ Yes _____ No
7. I am AWARE of whistleblowing incidents at my current or previous job that did not involve me directly? _____ Yes _____ No

Dependent variable and follow up questions:

1. How likely is it that you would report this wrongful act?

Extremely Unlikely 0...1...2...3...4...5...6...7 Extremely Likely

2. How likely is it that you would report this wrongful act through anonymous reporting channel?

Strongly Disagree 0....1....2....3....4....5....6....7 Strongly Agree

3. Recording the 2019 sales transactions in 2018 is completely wrong:

Strongly Disagree 0....1....2....3....4....5....6....7 Strongly Agree

4. The sales manager should take the responsibility of this wrongful act described in the case:

Strongly Disagree 0....1....2....3....4....5....6....7 Strongly Agree

5. As a role of sales manager, please evaluate the personal cost (e.g., chance of promotion, risk, reputation) supposing that you report the wrongful act taking the approach offered in this case.

Very Low 0.....1.....2.....3.....4.....5.....6.....7 Very High

6. As a role of assistant sales having discovered the wrongful act argued in this case, please evaluate your personal duty, as an employee of A Company, to notify the company of this fraud:

Very Low 0.....1.....2.....3.....4.....5.....6.....7 Very High

7. If you report the wrongful act, it will be investigated thoroughly by the company.

Strongly Disagree 0....1....2....3....4....5....6....7 Strongly Agree

8. If you report the wrongful act, the company will take measures to correct it.

Strongly Disagree 0....1....2....3....4....5....6....7 Strongly Agree

Proactivity Scale

1. I am a powerful force for useful change no matter where I am.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

2. It is exciting to see my ideas applied into reality.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

3. If I see something that doesn't satisfied with me, I will change it.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

4. I love sticking to my opinions, even if they are against others' opposition.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

5. I am good at recognizing opportunities.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

6. I usually will look for better ways to do things.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

7. I usually will find ways to improve life.

Strongly disagree 1.....2.....3.....4.....5.....6.....7 Strongly agree

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