

NAFTA Students' Whistle-blowing Perceptions: A Case of Sexual Harassment
(La percepción advertidora de los alumnos en TLC: un caso de acoso sexual)

¹Peek, L., M. ²Roxas, G. Peek, Y. ³Robichaud, B. ⁴Covarrubias & J. ⁴Barragan
¹Western Illinois University L_Peek@wiu.edu, ²Central Connecticut State University
roxas@ccsu.edu, ³Université Laurentienne, robichau@laurentian.ca, ⁴FACPYA, UANL,
bcovarrubias@facpya.uanl.mx, & ⁴FACPYA, UANL, jbarragan@sa.uanl.mx

Key words: Sexual harassment, NAFTA, organizations, policies

Abstract. Whistle-blowing mechanisms in the U.S. have gained more prominence as an element of legal compliance and antifraud programs. Sexual harassment is a significant business risk in terms of financial costs and the loss of reputation. It is important for corporations to develop sexual harassment policies and to provide mechanisms for employees to report sexual harassment behaviors to upper level management. This paper reports on business students' responses to a possible Sexual Harassment scenario from Arthur Andersen's Business Ethics Program and the actions that the characters in the video should take in terms of whistle-blowing. In fall 2004, 78 students from two U.S. universities and one Mexican and one Canadian university participated in the project as part of the *NAFTA Challenges of Accounting and Business Systems Grant* funded by the United States Department of Education Fund for the Improvement of Post-Secondary Education (FIPSE), Human Resources Development Canada (HRDC), and Mexico's Secretaría de Educación Pública (SEP). Students from the three NAFTA countries were shown the vignette and asked to respond to a pre-questionnaire concerning the characters' behaviors and possible actions. The students were then asked to discuss the situation and write a report from the points of view of the three characters in the vignette and also to find a copy of an organizations' sexual harassment policy from the Internet. At the end of the project the students responded to a post-questionnaire. The students were asked to consider whether the characters should report the possible harasser to their supervisor, and thus engage in whistle-blowing behavior. Hypotheses are formulated for the three NAFTA countries based on Hofstede's cultural dimensions and comparisons are made based on overall responses to the pre-and post-questionnaire. There were significant differences, but in some cases not in the direction expected. Gender differences are also explored, but there were few significant differences. The authors are working under the *NAFTA Challenges of Accounting and Business Systems Grant* from the United States Department of Education Fund for the Improvement of Post-Secondary Education (FIPSE), Human Resources Development Canada (HRDC), and Mexico's Secretaría de Educación Pública (SEP).

Palabras claves: Hostigamiento sexual, NAFTA, organizaciones, políticas

NAFTA Students' Whistle-blowing Perceptions

Resúmen. Los llamados "mecanismos de silbato de alerta" en los Estados Unidos han ganado más prominencia como elemento de la conformidad legal y de los programas antifraude. El hostigamiento sexual es un riesgo significativo del negocio en términos de costos financieros y la pérdida de reputación. Es importante que las corporaciones desarrollen políticas para prevenir y sancionar el hostigamiento sexual en los centros de trabajo y proporcionen los mecanismos para los empleados sobre los comportamientos de hostigamiento sexual y ofrezcan información al respecto a la gerencia. Esta investigación internacional por medio de sus resultados ofrece las respuestas de los estudiantes de las escuelas de negocios de México, Canadá y Estados Unidos sobre un panorama de posible hostigamiento sexual, y forma parte del programa del ética de negocio de promover en las Universidades la firma internacional de consultoría Arturo Andersen y de las acciones que se observaron en los caracteres en un vídeo realizado para este propósito, y que acciones deben tomar en términos de la utilización del "silbato de altera". En otoño del 2004, 78 estudiantes de dos universidades de EEUU, una universidad mexicana y una canadiense participaron en el proyecto como parte de los Retos de NAFTA de los sistemas Grant de contabilidad y negocios financiados por el departamento de Educación de los Estados Unidos Secretaría Poste-Secundario de Educación Pública (SEPT) de la educación (FIPSE), del desarrollo de recursos humanos en Canadá (HRDC), y de México. Mediante uso de video y escenificación que fue enviado y posteriormente fueron recibidas las respuestas de los estudiantes de los tres países de NAFTA además de responder a un cuestionario referente a los comportamientos y a las acciones posibles de los caracteres del video. Posteriormente y mediante el uso de Internet, los estudiantes pudieron discutir la situación y escribir un informe de los puntos de la vista de los tres caracteres en el video y elaborar una propuesta de una política sobre hostigamiento sexual de las organizaciones. Al final del proyecto los estudiantes respondieron a un cuestionario. Pidieron considerar si los caracteres deben divulgar el hostigamiento posible a su supervisor, y como los estudiantes se comprometían a utilizar el mecanismo de silbato de alerta. Las hipótesis se formulan para los tres países del NAFTA basados en las dimensiones culturales de Hofstede y se hacen las comparaciones basado en respuestas totales a los cuestionarios. Se encontraron diferencias significativas, pero en algunos casos no en la dirección esperada. Las diferencias del género también se exploran, pero había pocas diferencias significativas. Los autorautores están trabajando bajo desafíos de NAFTA de los sistemas Grant de la contabilidad y del negocio del departamento de Estados Unidos del fondo de la educación para la mejora de Secretaría Poste-Secundario de Educación Pública (SEPT) de la educación (FIPSE), del desarrollo de recursos humanos Canadá (HRDC), y de México.

Introduction

Whistle-blowing mechanisms in the U.S. have gained more prominence as an element of legal compliance and antifraud programs. The United States Sentencing Commission (USSC, 2005, 1-2) was created under the Comprehensive Crime Control Act of 1984's Sentencing Reform Act provisions to develop the Federal Sentencing Guidelines. The Federal Sentencing Guidelines, which became effective in 1987 provide more consistent and stringent sanctions for corporate misconduct and also provide incentives for organizations to maintain effective compliance and ethics programs. The USSC's Federal Sentencing Guidelines (Amend. 673, 2004, 101) recommend that corporations receive lower

finer if they have effective compliance and ethics programs, which include anonymous or confidential employee and agent reporting systems. The U.S. Congress enacted the Sarbanes-Oxley Act of 2002 (SOX Act) in response to the widespread corporate fraudulent financial reporting in the 1990s. SOX Act Section 301 (2002, 4) requires that audit committees establish procedures to receive and handle whistleblowers' complaints regarding questionable accounting or auditing matters. The Federal Sentencing Guidelines and the SOX Act both have provisions that stress the importance of developing anonymous reporting channels for managers and employees to report unethical, and in some cases, illegal behavior without fear of retribution.

Corporations have placed an increased emphasis on establishing effective whistle-blowing programs. The Ethics Center (2003, 2, 4) in its 2003 National Business Ethics Survey reported that 77% of the responding employees said there were mechanisms in place to report misconduct and that reporting of misconduct did increase from 57% in 2000 to 65% in 2003. Yet, the Ethics Center's Survey (2003, 2) also indicates that an average of 44% non-management employees who witness unethical behavior are unwilling to report, and that the younger, shorter tenure employees are the least likely to blow the whistle.

Near et al. (2004, 230) reported that federal government employees who observe unethical behaviors were more likely to report mismanagement, sexual harassment, or unspecified legal violations in comparison to reports of stealing, waste, safety problems, or discrimination. Sexual Harassment can become a costly violation if corporations do not effectively handle the problem. The U.S. Equal Employment Opportunity Commission (2005a) reported that there were 13,786 cases of sexual harassment resolved in FY2004 with monetary benefits of \$37.1 million excluding benefits obtained from litigation. Knapp et al. (1997, 687) reported that companies face additional costs besides litigation costs from sexual harassment behaviors, such as decreased productivity, increased absenteeism, increased turnover or requests for transfers, and counseling. Sexual harassment is a significant business risk in terms of financial costs and the loss of reputation. It is important for corporations to develop sexual harassment policies and to provide mechanisms for employees to report sexual harassment behaviors to upper level management.

This paper reports on business students' responses to a possible Sexual Harassment scenario from Arthur Andersen's Business Ethics Program and the actions that the characters in the vignette should take in terms of whistle-blowing. Figure 1 has a short synopsis of the vignette entitled, "A Very Friendly Fellow," which is part of AA's Management series (1991). In fall 2004, 78 students participated in the project as part of the *NAFTA Challenges of Accounting and*

Business Systems Grant funded by the United States Department of Education Fund for the Improvement of Post-Secondary Education (FIPSE), Human Resources Development Canada (HRDC), and Mexico's Secretaría de Educación Pública (SEP). There were 19 accounting students from an east coast university (US1), 24 Francophone accounting students from a bilingual Canadian university (CAN), 17 business students from a university in Monterrey, Mexico, and 18 accounting students from a mid-west university (US2). Students from the three NAFTA countries were shown the vignette and asked to respond to a pre-questionnaire concerning Bill's behavior (the possible harasser), and the actions that Shelly (the possible harassee) and Ginny (an observer) should take. The students were then asked to discuss the situation and write a report from the points of view of the three characters in the vignette. The students were also required to provide, as part of their final report, a copy of an organizations' sexual harassment policy from the Internet. [See Roxas, Peek, and Peek (1998), and Peek, Roxas, and Peek (1995) for a more detailed description of the student project.] At the end of the project the students responded to a post-questionnaire. The students were asked to consider whether Shelley and/or Ginny should report Bill to their supervisor, and thus engage in whistle-blowing behavior. Hypotheses are formulated for the three NAFTA countries based on Hofstede's cultural dimensions and comparisons are made based on overall responses to the pre- and post-questionnaire. Gender differences are also explored.

Sexual Harassment Laws

This study focuses on two issues: whether students from the three NAFTA perceive sexual harassment has occurred and whether they would recommend whistle-blowing. In legal terms there are laws against sexual harassment in Mexico, Canada, and the U.S., but the laws in the U.S. are more stringent and apply to a wider group of organizations. The U.S. Equal Employment Opportunity Commission (EEOC) (2005b) enforces Title VII of the Civil Rights Act of 1964, which prohibits sexual harassment, as a form of sexual discrimination. Title VII applies to private entities and federal, state, and local governments.

Avendano (2003) reported that there is no national law in Mexico that explicitly addresses harassment in private companies. The Federal Constitution does allow for three months salary if employees leave their jobs for wrongful treatment, such as harassment. The Federal Labor Code also allows the employer to dismiss harassers, but only if the harassers' actions "disrupt discipline in the workplace." The Federal Criminal Code Article 259 makes sexual harassment a crime, but it only applies to federal officers and most victims fear

losing their jobs if they report the harassment. Fifteen of the 31 Mexican states also have criminal legislation.

Mexican cultural customs make it difficult to define and report sexual harassment. Otis (1994) discussed "piropo," (a tradition in Latin cultures), which involves the public appreciation of woman by men, such as wolf whistles on the streets. Piropo may not be considered sexual harassment. Hilbreth (1994) also explains that women in Mexico are afraid to speak up and report sexual harassment because it is hard to prove and it is typically a woman's word against a man's. Women also are motivated not to report because they do not want their families to know because their families may blame the woman for getting herself in the situation in the first place. Women are fearful and will not report harassment because others will know.

However, in the workplace, sexual harassment is taken seriously in Mexico as an objectionable business practice. Husted et al. (1996, 397) studied the attitudes of Mexican, U.S., and Spanish MBAs concerning 49 questionable business practices. The Mexican and U.S. students had a similar ranking of sexual harassment as a questionable business practice, 5, and 4 respectively; the Spanish MBAs ranked it number 1. The Mexican MBAs in the study were from Monterrey, which Husted et al. (1996, 396) reported is not a typical city of Mexico. Monterrey has a highly educated workforce; it is more industrialized; businesses are predominately locally owned, and it is highly influenced by U.S. popular culture.

The Canadian Human Rights Commission (2005) is in charge of enforcing the Canadian Human Rights Act (1985), which prohibits sexual harassment and discrimination. The Canadian Labour Code Division XV.1 (1985) defines sexual harassment and requires employers to establish a policy statement on sexual harassment.

Whistle-Blowing Literature

There is significant literature on whistle-blowing and its effectiveness both in terms of theoretical models and empirical research. Greenberger et al. (1987) provided a model of the whistle-blowing process, including factors that affect the likelihood of whistle-blowing, and factors that affect the group's reactions to whistle-blowing. Lee et al. (2004) provided a model of predictors and outcomes in the case of sexual harassment whistle-blowing.

Terpstra & Baker (1992), in their examination of 133 federal court cases of sexual harassment found complainants were more likely to win their cases: if the harassment was severe; they had witnesses and documents available; they had reported the problem to management; and management did not take action.

There have been empirical cross cultural studies concerning whistle-blowing behavior. In his study of professional accountants, Patel (2003) found that the Australian culture is more likely to utilize whistle-blowing as an effective internal control mechanism in comparison to the Indian and Chinese-Malaysian cultures. In two studies of whistle-blowing in a possible fraudulent financial accounting scenario, Brody, Coulter, Lin (1999) found differences associated with Hofstede's Individualism dimension between U.S. and Taiwanese students, and Brody et al. (1998) found differences associated with the Individualism and Power Distance dimensions between U.S. and Japanese accounting students. The Taiwanese and Japanese students were less likely to whistle-blow to their superiors than the U.S. students. Cohen et al. (1995) found differences in ethical decisions, concerning public accounting practices scenarios between Latin American and U.S. auditors, but there were no significant differences regarding the Japanese auditors in the study.

Cultural Expectations

Hofstede (1980) conducted the seminal research on cultural differences in workplace values of individuals from 40 countries. He (2005, 1) distinguished four primary dimensions to differentiate cultures: Masculinity, Power Distance, Uncertainty Avoidance, and Individualism/Collectivism. Hofstede added a fifth dimension in later research, Long-Term Orientation, but it is excluded from this discussion because there is no score for Mexico. Hofstede's dimensions scores (1984) for the three NAFTA countries (Canada, Mexico, and U.S) are presented in Table 1. Hofstede's definitions of the four dimensions (2005), Hofstede's (1984) discussion of norms and values associated with each dimension, and Hood and Logsdon's (2002, 884-886) extensive discussion of the four dimensions for the three NAFTA countries are used here as a basis for the development of hypotheses for the students' responses to the current study's questionnaires.

Table 1. Hofstede's dimension scores in NAFTA Countries.

Dimensions	Canada	Mexico	United States
Power Distance	39	81	40
Individualism	80	30	91
Uncertainty Avoidance	48	82	46
Masculinity	52	69	62

Hofstede (2005, 1) defines Masculinity as "...the degree the society reinforces or does not reinforce, the traditional masculine work role model of male

achievement, control, and power." Mexico is a highly masculine culture with an emphasis on traditional roles for women and belief in inequality of women. The U.S. also has a high masculinity score and is closer to Mexico than Canada. A highly masculine culture would hold that it is acceptable for men to behave assertively and be dominating (Hofstede, 1984, 205). Based on Hofstede's classification the following hypotheses are proposed:

H1: Mexican and U.S. students who have higher Masculinity scores will be less likely than the Canadian students to believe Bill is harassing Shelly.

H2: Mexican and U.S. students who have higher Masculinity scores will be less likely than the Canadian students to recommend that Shelly and/or Ginny should report Bill to her supervisor.

H3: Mexican and U.S. students who have higher Masculinity scores will be less likely than the U.S. and Canadian students to recommend that Shelly and/or Ginny directly confront Bill.

In highly Masculine cultures, Bill might be perceived as just being a man, not a harasser, and doing what men do as part of their natural personality. Consequently, Shelly and Ginny should not report or confront him.

Hofstede (2005, 1) defines Power Distance as "... the degree of equality, or inequality, between people in the country's society." Mexico has a significantly higher Power Distance score than U.S. and Canada; Mexicans accept a society that has an unequal distribution of power. Hofstede (1984, 94) lists societal norms that relate to high Power Distance scores: those in power are seen as having the right to special privileges; employees will not be comfortable disagreeing with their boss; and employees do not have solidarity and are hesitant to trust other employees. Americans and Canadians, with a lower Power Distance score, believe in equal rights, are more willing to express disagreement with superiors, and will work together to affect change. Shelly is working for Bill on a project, i.e., Bill holds a higher position. The Mexican students will be less likely to recommend Shelly and Ginny report Bill to their superiors or directly confront Bill because he is in a higher position. The Mexican students are less likely to believe that Ginny should help Shelly; Shelly should act on her own. Based on Hofstede's analysis the following hypotheses are proposed:

H4: Mexican students who have significantly higher Power Distance score will be less likely than the U.S. or Canadian students to recommend that Shelly and/or Ginny should report Bill to her supervisor.

H5: Mexican students who have significantly higher Power Distance score will be less likely than the U.S. and Canadian students to recommend that Shelly and/or Ginny directly confront Bill.

H6: Mexican students who have significantly higher Power Distance score will be less likely than the U.S. or Canadian students to recommend that Ginny help Shelly solve her problem.

Hofstede (2005, 1) defines Individualism/Collectivism as "...the degree the society reinforces individual or collective, achievement and interpersonal relationships." Mexico, with its focus on the extended family group is classified as Collectivist with a significantly lower Individualism score than the U.S. or Canada. Hofstede (1984, 166) lists societal norms that relate to Collectivist: there is an emotional connection between the employee and the company (a sense of duty and loyalty); individual initiative is not the norm; and there is the expectation that the company will take care of employees. The U.S. is individualistic with the highest score; Americans are more independent and do not expect the organization to take care of its employees. Canadians are less individualistic; there is a greater concern for community.

The Mexican students, due to their sense of duty and loyalty to the company, will be less likely to recommend Shelly or Ginny should report or confront Bill. They will also be less likely to recommend that Ginny should take the initiative and step in and help Shelly. Based on Hofstede's classification the following hypotheses are proposed:

H7: Mexican students who are Collectivist will be less likely than the U.S. or Canadian students to recommend that Shelly and/or Ginny should report Bill to her supervisor.

H8: Mexican students who are Collectivist will be less likely than the U.S. and Canadian students to recommend that Shelly and/or Ginny directly confront Bill.

H9: Mexican students who are Collectivist will be less likely than the U.S. or Canadian students to recommend that Ginny help Shelly solve her problem.

Hofstede (2005, 1) defines Uncertainty Avoidance as "...the level of tolerance for uncertainty and ambiguity within the society; i.e. unstructured situations." The Uncertainty Avoidance score is significantly higher in Mexico than the U.S. and Canada. Hofstede (1984, 166) lists societal norms that relate to high

Uncertainty Avoidance: Less tolerance for ambiguity, a need for formal rules and procedures, a low-level of risk taking, and a desire for harmony in an organization. The Mexican students would want harmony and be less likely to take risk; thus, they would not recommend whistle-blowing or confronting Bill. The Mexican students would want more information; they would recommend Ginny should observe Bill's behavior further. Based on Hofstede's classification the following hypotheses are proposed:

H10: Mexican students who have a higher Uncertainty Avoidance score will be less likely than the U.S. and Canadian students to recommend that Shelly and/or Ginny should report Bill to her supervisor.

H11: Mexican students who have a higher Uncertainty Avoidance score will be less likely than the U.S. and Canadian students to recommend that Shelly and/or Ginny directly confront Bill.

H12: Mexican students who have a higher Uncertainty Avoidance score will be more likely than the U.S. and Canadian students to recommend that Ginny observe further Bill's behavior.

Responses to ethical dilemma questionnaires

A questionnaire (Questions are shown in Table 2) was administered to the students immediately after their viewing of the videotape and at the end of the project after the students completed their e-mail discussions and submitted their final group reports, which included a sexual harassment policy from the Internet. The students' responses to the questionnaire were based on a 7-point Likert scale with 7 strongly agree, 4 neutral, and 1 strongly disagree. The students were asked whether Bill was harassing Shelly or just being friendly; whether Shelly should confront Bill directly or report him to her supervisor; and whether Ginny (the observer) should confront Bill, report him to management, just let Shelly handle the situation, or observe Bill further. The students were asked whether Shelly or Ginny should engage in formal whistle-blowing behaviors.

Overall Results

Table 2 presents the overall mean responses for the 19 US1, 24 CAN, 17 MEX, and 18 US2 students who completed the pre- and post-questionnaires. Students were in agreement that Bill was harassing Shelly as indicated by the overall mean responses to Question 1 (Pre 5.38 and Post 5.06). Consistent with their responses to Question 1, the students did disagree that Bill was just being

friendly to Shelly based on their mean responses to Question 4 (Pre 3.25 and Post 3.53).

Table 2. The sexual harassment ethics internet project, NAFTA Country differences (Scores 1 to 7, where 1= total disagreement & 7 the opposite case).

1. I believe that Bill is harassing Shelly.								
	Q1A	Q1B	P-Value			LU	WIU	P-Value
All	5.38	5.06	0.0310*		Q1A	4.96	5.83	0.0176*
CCSU	5.61	5.08	0.0840*			CCSU	LU	P-Value
LU	4.96	5.29			Q1A	5.61	4.96	0.0367*
UANL	5.24	4.41						
WIU	5.83	5.33						

2. I believe that Shelly should directly confront Bill concerning her perceptions of his behavior.								
	Q2A	Q2B	P-Value			CCSU	LU	P-Value
All	6.03	6.04			Q2A	6.45	6.00	0.0483*
CCSU	6.45	6.39			Q2B	6.39	5.42	0.0117*
LU	6.00	5.42						
UANL	5.59	6.65	0.0196*			UANL	WIU	P-Value
WIU	6.06	5.94			Q2B	6.65	5.94	0.0407*
						UANL	LU	P-Value
					Q2B	6.65	5.42	0.0019*

3. I believe that Shelly should immediately take formal action and report Bill to her supervisor.								
	Q3A	Q3B	P-Value			CCSU	UANL	P-Value
All	4.13	4.08			Q3A	4.66	3.47	0.0589*
CCSU	4.66	3.50	0.0166*			CCSU	LU	P-Value
LU	4.16	4.50			Q3B	3.50	4.50	0.0900*
UANL	3.47	4.47						
WIU	4.17	3.78						

4. I believe that Bill is just being friendly to Shelly.								
	Q4A	Q4B	P-Value					
All	3.25	3.53						
CCSU	3.29	3.61						
LU	3.63	3.71						
UANL	2.88	3.24						

WIU	3.06	3.50						
-----	------	------	--	--	--	--	--	--

5. I believe that Ginny, the Observer should take the initiative in reporting Bill's behavior to a supervisor.								
	Q5A	Q5B	P-Value			CCSU	UANL	P-Value
All	2.90	2.99			Q5A	3.24	2.35	0.1054*
CCSU	3.24	2.87						
LU	2.75	2.92						
UANL	2.35	2.65						
WIU	3.28	3.50						

6. I believe that Ginny, the Observer should directly confront Bill concerning Shelly's perceptions of his behavior.								
	Q6A	Q6B	P-Value			CCSU	UANL	P-Value
All	3.38	3.72			Q6A	3.76	2.59	0.0620*
CCSU	3.76	3.66				WIU	UANL	P-Value
LU	3.10	3.38			Q6A	4.11	2.59	0.0090*
UANL	2.59	4.06	0.0124*			LU	WIU	P-Value
WIU	4.11	3.94			Q6A	3.10	4.11	0.0303*

7. I believe that Ginny, the Observer should do nothing and let Shelly work it out.								
	Q7A	Q7B	P-Value					
All	4.01	3.62						
CCSU	4.24	3.08	0.1004*					
LU	4.19	3.75						
UANL	3.88	4.00						
WIU	3.67	3.67						

8. I believe that Ginny should observe Bill's actions further before she takes any action.								
	Q8A	Q8B	P-Value			CCSU	LU	P-Value
All	5.46	5.37			Q8B	5.61	4.92	0.0819*
CCSU	5.61	5.55				WIU	UANL	P-Value
LU	5.29	4.92			Q8B	4.78	6.41	0.0011*
UANL	5.65	6.41				LU	UANL	P-Value
WIU	5.33	4.78			Q8B	4.92	6.41	0.0003*

One student's written comments provided the point of view that the scenario represents a clear case of sexual harassment:

Bill is sexually harassing Shelly. He is not just being friendly, and if he thinks he is just being friendly, he should try reading Shelly's body language. She does not welcome the touching or him asking her out all the time. She cringes when he touches her and avoids the subject of going out with him. She just wanted to get away from him as soon as possible.

However, the mean response for Question 1 indicates that there were students who disagreed that Bill's behavior was sexual harassment as represented by another student's point of view, though the student did acknowledge that Shelly was uncomfortable:

I think Bill is being friendly towards Shelley. I do not think he is trying to put moves on her by touching her constantly. I feel this is only Bill's personality. Bill seems to be extremely touchy, feely person and Shelly does not want anything to do with him.

As indicated by their overall mean responses to Questions 2 and 3, students were in strong agreement (Pre 6.03 and Post 6.04) that Shelly should directly confront Bill concerning her perceptions of his behavior, and neutral about her immediately taking formal action and reporting Bill to her supervisor (Pre 4.13 and Post 4.08). The students' written discussions and reports indicated that Shelly should first directly and emphatically confront Bill and tell him that his behavior was inappropriate before formally reporting him to her supervisor. Students believed that Shelly had a responsibility to more strongly confront Bill first before she engaged in whistle-blowing. One student's comments indicated the importance of the confrontation:

I didn't feel that he was exactly harassing her simply because it appeared to be very much his personality and that she didn't make it evident that she was uncomfortable. She was like a mouse about it and you can't expect a man with that personality to pick up on subtle clues.

The overall mean responses to Questions 5 and 6 show that the students believed that Ginny should not take the initiative in formally reporting Bill (Pre 2.90 and Post 2.99) and neither should she directly confront Bill, though this option had a slightly better response (Pre 3.38 and Post 3.72). The students were neutral about whether Ginny should just let Shelly work out the situation on her own based on their mean responses to Question 7 (Pre 4.01 and Post 3.62). However, their responses to Question 8 indicated that they did agree that Ginny should observe Bill's behavior further (Pre 5.46 and Post 5.37). One student's

written comments supported the position that Ginny should take a more direct approach and directly confront Bill:

Ginny should go talk to Bill first, and tell him that his advances are making Shelly uncomfortable. I know that Shelly told him that, but to him she might just be playing hard to get, but if he hears it from someone else then maybe he will get the point. If Ginny learns that the advances still haven't stopped, she should take Shelly and go talk to their supervisor about the situation.

Another student's comments indicated that Ginny should play a more indirect, supportive role:

Ginny should just help Shelly tell management, or at least tell Shelly that she might need to talk to management. Shelly tried to say something to Bill, he didn't listen, so therefore she should go to management, shouldn't she? Also if the company doesn't have a harassment training center as mention in one of the reports [Internet sexual harassment policies], Shelly might need Ginny's help in going to management.

In this situation the recommendation was that Ginny would act as a witness when Shelly reported Bill's sexual harassment behavior, but it would be Shelly's responsibility to tell management.

Cultural Differences

Table 2 presents the results for comparisons among the students from the three NAFTA countries involved in the project. The results for the two U.S. universities were not combined since there may be significantly different responses due to geographic locations: US1 students were in a northeastern, urban setting and US2 students were in a midwestern, rural setting. A nonparametric Wilcoxon Rank Sum Test was used to test the previously stated hypotheses to determine if there were significant differences between the students' mean responses at the four different universities (P value < 0.10).

Bill Harassing:

There were significant differences among universities for Question 1 on the pre-questionnaire concerning whether Bill was harassing Shelly, but H1(Masculinity) is not fully supported. The Canadian students had significant differences in their responses on the pre-questionnaire for Question 1 as compared to both groups of U.S. students, but in the opposite direction than

hypothesized based on Hofstede's Masculinity scores. The U.S. students agreed more that it was a case of sexual harassment even though the U.S. has a high Masculinity score, while the Canadian students were more neutral about whether Bill was harassing Shelly. There was not a significant difference between the Mexican and Canadian students' mean responses as was predicted based on their countries' Masculinity scores.

Shelly/Ginny Whistle-Blowing:

The students' responses to Questions 3 and 5 concerning whether Shelly and/or Ginny, respectively, should report Bill's behavior to a supervisor relates to H2 (Masculinity), H4 (Power Distance), H7 (Individualism/Collectivism), and H10 (Uncertainty Avoidance). H2 (Masculinity) was supported partially; the Mexican students disagreed more strongly than the US1 students that Shelly and /or Ginny should report Bill's behavior. The American students, with a higher Masculinity score, were less similar to the Mexican students and more similar in their neutral responses to the Canadian students who have a lower masculinity score. It was not until after the students' discussions and reports that there was a significant difference on the post-questionnaire between the Canadian and US1 students for Question 3. The US1 students disagreed more than the Canadians, that Shelly should report Bill's behavior to the supervisor. The US1 students and Mexican students with the higher Masculinity scores were more aligned in their responses after the students' discussions.

H4 (Power Distance), H7 (Individualism/Collectivism), and H10 (Uncertainty Avoidance) are partially supported in terms of both Shelly and Ginny reporting Bill's behavior to a supervisor. The Mexican students disagreed more strongly than the US1 students, but not with the Canadian or US2 students, that Shelly and/or Ginny should whistle-blow. The Mexican students, with different Power Distance, Collectivism and Uncertainty Avoidance scores, were expected to respond significantly different about whistle-blowing than both the Canadian and US2 students, but they did not. On the post-questionnaire, there was a significant difference between US1 and Canadian students when none was expected for Question 3 that Shelly should whistle-blow. The Canadian students provided a neutral response, while the US1 students disagreed.

Shelly/Ginny Confronting:

The students' responses to Questions 2 and 6 concerning whether Shelly and/or Ginny, respectively, should directly confront Bill about his behavior relates to H3 (Masculinity), H5 (Power Distance), H8 (Individualism/Collectivism), and

H11 (Uncertainty Avoidance). In light of their high Masculinity scores, the Mexican and U.S. students were predicted to respond negatively about Shelly confronting Bill and instead they agreed she should. On the pre-questionnaire, H3 (Masculinity) is not supported for the Mexican students; they did not respond significantly different to Question 2 in terms of Shelly confronting Bill than the Canadian students. However, the US1 students had a significantly stronger belief than the Canadian students that Shelly should directly confront Bill both on the pre-and post-questionnaire which is the opposite direction of what was predicted. On the post-questionnaire, H3 (Masculinity) is partially supported, but it is in the opposite direction than was hypothesized. After the group discussions and written reports, the Mexican students more strongly agreed that Shelly should personally confront Bill in comparison to the Canadian and US2 students. H5 (Power Distance), H8 (Individualism/Collectivism), and H11 (Uncertainty Avoidance) are supported on the post-questionnaire, but the direction is opposite. The Mexican students more strongly agreed that Shelly should personally confront Bill in comparison to the Canadian and US2 students.

In terms of Ginny confronting Bill, H3 (Masculinity) is partially supported the Mexican students disagreed more strongly, but it was in comparison to the U.S. students rather than the Canadian students as predicted. H5 (Power Distance), H8 (Individualism/Collectivism), and H11 (Uncertainty Avoidance) are partially supported; the Mexican students more strongly disagreed that Ginny should confront Bill in comparison to the U.S. students. Unexpectedly, the Canadian students more strongly disagreed that Ginny should confront Bill in comparison to the US2 students. The U.S. students were closer to neutral in response to Question 6.

Ginny Helping and Observing:

The students' responses to Question 7 concerning whether Ginny should do nothing to help Shelly relates to H6 (Power Distance) and H9 (Individualism/Collectivism); these hypotheses are not supported. There were no significant differences among the students from the three countries. Students slight disagreed or were neutral about Ginny doing nothing.

Question 8, whether Ginny should observe Bill's actions further, relates to H12 (Uncertainty Avoidance), which is supported on the post-questionnaire. After the discussions, the Mexican students more strongly agreed compared to the Canadian and US2 students that Ginny should observe Bill's behavior further before she acts. The Canadian and US2 students were closer to neutral in their responses. The US1 students more strongly agreed in comparison to the

Canadian students that Ginny should wait and observe Bill.

Within Country Differences

A non/parametric, Wilcoxon Signed Rank Test was used to determine if there were significant differences between the students' pre- and post-questionnaire mean responses within a particular university (P -value < 0.10) after the students' discussions and final reports. Only the US1 and Mexican students had significant differences in their mean responses on the pre-and post-questionnaire. There was a significant difference in the US1 students' pre- and post-mean responses for Question 1 (P -Value = 0.0840); their level of agreement that Bill was harassing Shelly decreased on the post-questionnaire after their discussions. The US1 students also significantly shifted their mean responses to Question 3 (P -Value 0.0166) from neutral to disagree that Shelly should immediately report Bill to her supervisor, which is consistent with their shift in response to Question 1. The US1 students were neutral about Ginny not doing anything and letting Shelly work out her own problems with Bill. After the discussions the students changed their responses to disagree and believed that Ginny should help Shelly.

The Mexican students had a significant change in their mean response to Question 2 (P -Value = 0.0196); they were more in agreement on the post-questionnaire that Shelly should directly confront Bill. The Mexican students also had a significant change in their mean responses for Question 6. They originally disagreed that Ginny should directly confront Bill about Shelly's perceptions, but changed their response to neutral on the post questionnaire.

Gender Differences

It was hypothesized that there would be significant gender differences, but very few differences were observed. Table 3 presents the overall mean responses for the 38 female and 40 male students who completed the pre- and post-questionnaires. Both the female and male students were in agreement that Bill was harassing Shelly as indicate by the overall mean response to Question 1, and they did disagreed that Bill was just being friendly to Shelly based on their overall mean response to Question 4. A nonparametric, Wilcoxon Rank Signed Test was used to determine if there were significant differences between the female and male students' pre- and post-questionnaire mean responses (P -value < 0.10). Only the male students had significant differences their pre- and post-mean responses for Questions 1 and 4. For Question 1 (P -Value = 0.0343), the

males' level of agreement moved closer to neutral after their group discussions (Pre 5.43 and Post 4.88). On a consistent basis, the males' responses to Question 4 also shifted significantly (P-Value = 0.0603) to a lower level of disagreement that Bill was just being friendly to Shelly (Pre 3.30 and Post 3.78).

Table 3. The sexual harassment ethics internet project, NAFTA Country differences (Scores 1 to 7, where 1= total disagreement & 7 the opposite case).

1. I believe that Bill is harassing Shelly.							
	Q1A	Q1B	P-Value				
All	5.38	5.06					
Female	5.33	5.25					
Male	5.43	4.88	0.0343*				

2. I believe that Shelly should directly confront Bill concerning her perceptions of his behavior.							
	Q2A	Q2B	P-Value				
All	6.03	6.04					
Female	5.78	5.93					
Male	6.28	6.15					

3. I believe that Shelly should immediately take formal action and report Bill to her supervisor.							
	Q3A	Q3B	P-Value				
All	4.13	4.08					
Female	4.12	4.33					
Male	4.15	3.85					

4. I believe that Bill is just being friendly to Shelly.							
	Q4A	Q4B	P-Value				
All	3.25	3.53					
Female	3.20	3.28					
Male	3.30	3.78	0.0603*				

5. I believe that Ginny, the Observer should take the initiative in reporting Bill's behavior to a supervisor.							
	Q5A	Q5B	P-Value				
All	2.90	2.99					
Female	2.70	2.99					
Male	3.10	2.98					

6. I believe that Ginny, the Observer should directly confront Bill concerning Shelly's perceptions of his behavior.								
	Q6A	Q6B	P-Value			Female	Male	P-Value
All	3.38	3.72			Q6A	2.93	3.81	0.0176*
Female	2.93	3.36				Female	Male	P-Value
Male	3.81	4.08			Q6B	3.36	4.08	0.0793*

7. I believe that Ginny, the Observer should do nothing and let Shelly work it out.								
	Q7A	Q7B	P-Value					
All	4.01	3.62						
Female	4.04	3.59						
Male	3.99	3.65						

8. I believe that Ginny should observe Bill's actions further before she takes any action.								
	Q8A	Q8B	P-Value					
All	5.46	5.37						
Female	5.33	5.22						
Male	5.58	5.50						

There were significant gender differences in the mean responses on both the pre- and post-questionnaire for Question 6 concerning whether Ginny should directly confront Bill, based on a nonparametric Wilcoxon Rank Sum Test (P-Value = 0.10). As can be seen from the overall mean responses to Question 6 in Table 3 the female students before and after the discussion more strongly disagreed that Ginny should directly confront Bill. There were no other instances of significant gender differences.

Conclusions

The Masculinity hypotheses are not totally supported. The Mexican students and the U.S. students, with the highest Masculinity scores, believed Bill was harassing Shelly, which was not in the direction expected. The U.S. students with a higher masculinity score more strongly agreed than the Canadian students, with a low Masculinity score, that Bill was harassing Shelly. The U.S. students' results indicating that Bill's behavior was sexual harassment may be attributed to

the stronger anti-sexual harassment laws in the U.S.. The students were well aware in their discussions that there are laws that govern such behavior as represented by one student's comments: "I do not believe that Shelly should take any formal/legal action against Bill." The sexual harassment laws took greater precedent over Hofstede's Masculinity dimensions.

Mexico has the highest Masculinity score, but the Mexican students agreed that Bill was harassing Shelly. The students involved in this project are from Monterrey, Mexico, and as Husted, et.al., (1996, 397) reported, the Monterrey MBAs in their study ranked sexual harassment as a questionable business practice. In their discussions in this current project, the Mexican students were aware there are cultural differences, but that Shelly's perceptions also have to be considered as evidenced by the following comment:

It is partially sexual harassment because even though he is invading her space... I don't think he is aware of the situation. I have always been told that Canadian and Americans were more protective of our space... as for Latin America is a little more touchy.

The student's comments indicated that Hofstede's observations of cultural differences do exist, but as countries engage in cross-border trade and exchange of ideas occur business cultural norms will align. The following comments from a report submitted by a Mexican student and a Canadian student support the idea that there is a different standard of behavior in the workplace:

Work is not really the time or place to ask someone to go out. This should be done on their own time on the telephone. ...Once again, this probably isn't normal social behavior for the workplace. ...Behavior at work and behavior away from work should not be the same in this situation.

With the high Masculinity scores, the U.S. and Mexican students were expected not to be in favor of Shelly and/or Ginny reporting or confronting Bill, while the Canadians with a low Masculinity score would. The Mexican students did more strongly disagree than the US1 students that Shelly and Ginny should whistle-blow to the supervisor, while the U.S. and Canadian students were aligned more with a neutral response. However, all the students thought that Shelly should confront Bill, with the Mexican students in much stronger agreement after the discussion. As indicated by the students' comments cited above, they believed that Bill did not realize that his behavior was offensive; by confronting Bill, Shelly may be helping the man to save face. The Mexican students more strongly

disagreed that Ginny should confront Bill in comparison to the U.S. students; though they were more aligned with the Canadian students.

Power Distance and Collectivism hypotheses are partially supported. It was expected that Mexican students with higher Power Distance and lower Individualism scores would believe that Bill in his team leadership position should be allowed more leeway in his behavior; they would not want to disagree with their boss; and take the initiative to confront or report Bill. Kras (1988, 71) in her study of Mexican and U.S. managers discusses the Mexican cultural factor of emotional sensitivity: Mexican managers fear loss of face and will shun confrontation. The Mexican students did disagree more strongly than the US1 students that Shelly or Ginny should confront or report Bill, but not with the Canadians and US2 students.

However, the Mexican students more strongly agreed Shelly should personally confront Bill, which was not expected. Their agreement was significantly stronger after they had referenced sexual harassment policies as part of their assignment. The Mexican students more strongly disagreed that Ginny should confront Bill, but after the students' discussions and final report their mean response significantly changed to neutral. Hofstede's Uncertainty Avoidance norms indicated that Mexican students were more comfortable with following rules and procedures to avoid uncertainty. The sexual harassment policies the students provided in their final reports clearly listed talking to the harasser as a first step in taking action to resolve the issue and the importance of having a witness, such as Ginny. [See Government of Nova Scotia Sexual Harassment Policy, 2005]. There are interdependencies among Hofstede's dimensions and behavioral expectations.

The Uncertainty Avoidance hypotheses were supported. The Mexican students did more strongly agree after the discussions that Ginny should observe Bill's behavior further. Again as discussed above, the sexual harassment policies stressed the importance of having witnesses and documentation of the sexual harassment incidents. The Mexican students believed that Ginny has an important role to play in Shelly's report of Bill's sexual harassment behavior. The results of the paper also support the importance for corporations to develop sexual harassment policies and provide mechanisms for employees to report sexual harassment behaviors to upper level management. Students' strategies for the characters in the ethics vignette were guided by the sexual harassment policies they found on the Internet, i.e., Shelly should talk to Bill before reporting him to her supervisor and Ginny should be asked to act as a witness. The students were also aware that sexual harassment charges might be costly to

organizations not only in terms of litigation costs, but also in creating a hostile work environment that results in poor employee morale and higher employee turnover. A Mexican student and a Canadian student reported the following in their discussion of stakeholder analysis:

For us, Bill's behaviour affects the organization because if stakeholders know that he is the kind of person that harasses, and the company lets this go on, people may not want to work here, people may not want to do business with this company. This may mean that people wouldn't want to invest in a company like this also. People that work for the company may shy away from Bill because they don't agree with his behaviour. This would make an uncomfortable working environment, and therefore, would make a less efficient workplace.

The students were well aware of the effect sexual harassment charges can have on an organization both economically and in terms of its reputation. Shelly and Bill work at a management services firm. Shelly works on projects for Bill. She is having a difficult time escaping his physical and social advances; Bill touches Shelly on the shoulder, hugs her, and is trying to get her to go dancing. Ginny, a colleague, observes Bill's behavior but she just thinks Bill is being friendly. Bill invites Ginny and Shelly to a happy hour after work. After Bill leaves, Shelly confides in Ginny that she is uncomfortable with Bill's physical contact and has told him to leave her alone. Shelly asks Ginny "What am I going to do?"

References

- Arthur Andersen & Co., Business Ethics Program Reference Guide, np, nd.
- _____, 1991. Business Ethics Program Ethics in Management Videotape Faculty Guide.
- Avendano, L. T. 2003. A Report on sexual harassment in the Workplace in Mexico. Available at: <http://www.laborrights.org/projects/women/Mexico%20report.pdf>.
- Brody, R.G., J. M. Coulter, and P. H. Mihalek. 1998. Whistle-blowing: A cross-cultural comparison of ethical perceptions of U.S. and Japanese accounting students. *American Business Review*. 16, 2, 14-21.
- Brody, R.G., J. M. Coulter, and S. Lin. 1999. The effect of national cultures on whistle-blowing perceptions. *Teaching Business ethics*. 3. 385-400.
- Canadian Human Rights Act. (R.S. 1985, c. H-6). Available at: <http://laws.justice.gc.ca/en/H-6/index.html>.
- Canadian Human Rights Commission. 2005. Harassment. Available at: <http://www.chrc-ccdp.ca/discrimination/harassment-en.asp>.
- Canadian Labour Code Division (R.S. 1985, c. L-2). XV.1 Sexual Harassment. Available at: <http://laws.justice.gc.ca/en/L-2/>
- Cohen, J. R., L. W. Pant, and D. J. Sharp. 1995. An exploratory examination of international differences in auditor's ethical perceptions. *Behavioral Research in Accounting*. Vol. 7, 37-64.

- Ethics Resource Center Research Department. 2005. 2003 National Business Ethics Survey. Available at: http://www.ethics.org/nbes2003/2003nbes_summary.html.
- Greenberger, D. B., M.P. Miceli, and D. J. Cohen. 1987. Oppositionists and group norms: The reciprocal influence of whistle-blowers and co-workers. *Journal of Business Ethics*, 6, 527-542.
- Hilbrert, P. 1994 Shameful silence. *Business Mexico*. V4, No. 11, 4-6.
- Hofstede, G. 1980. *Culture's Consequences – International Differences in Work Related Values*. Beverly Hills, California: Sage Publications.
- _____, 1984. *Culture's Consequences – International Differences in Work Related Values*. Beverly Hills, California: Sage Publications.
- _____, 2005. Geert Hofstede Analysis. Web Document Available at: <http://www.cyborlink.com/besite/hofstede.htm>.
- _____, 2004. Geert Hofstede Analysis: Canada. Web Document Available at: <http://www.cyborlink.com/besite/canada.htm>.
- Hood, J. N. and J. M. Logsdon. 2002. Business ethics in the NAFTA countries: A cross-cultural comparison. *Journal of Business Research*. 55, 883-890.
- Husted, B. W., J. B. Dozier, J. T. McHahon, and M. W. Kattan. 1996. The impact of cross-national carriers of business ethics on attitudes about questionable practices and forms of moral reasoning. *Journal of International Business studies*. V. 27, No. 2, 391-412.
- Knapp D.E., R.H. Faley, S.E. Ekeberg, and C. L.Z. Steven. 1997. Determinants of target responses to sexual harassment: A conceptual framework. *Academy of Management Review*, 22, No. 3, 687-729.
- Kras, E. S. 1988. *Management in two cultures: Bridging the gap between U.S. and Mexican managers*. Intercultural Press, Inc. Yarmouth, Maine.
- Lee, J. Y., S. G. Heilmann, and J. P. Near. 2004. Blowing the whistle on sexual harassment: Test of a model of predictors and outcomes. *Human Relations*, V. 57, No. 3, 297-322.
- Near, J. P., M.T. Rehg, J. R. an Scotter, and M. P. Miceli. 2004. *Business Ethics Quarterly*, 14, No. 2, 219-242.
- Nova Scotia, Canada. 2005. Government of Nova Scotia Sexual Harassment Policy. Available at: <http://www.gov.ns.ca/psc/?mn=1.161.216.217>.
- Otis, M. 1994. Subject tio discussion. *Business Mexico*, 4, No. 11 30, 35.
- Patel, C. 2003. Some cross-cultural evidence on whistle-blowing as an internal control mechanism. *Journal of International Accounting Research*. 69-93.
- Peek, G., M. Roxas, & L. Peek. (1995). Adapting cooperative learning strategies to facilitate ethics discussions using Internet e-mail capabilities. *Business Communication Quarterly*, 58, No. 4, 3-9.
- Roxas, M., L. Peek, & G. Peek. (1998). Developing multi-objective projects in the Accounting curriculum: Sexual harassment, teamwork, technology, and communication, *Issues in Accounting Education*, 13, No. 2, 383-393.
- Sarbanes-Oxley Act of 2002. 2002. Available at: <http://news.findlaw.com/hdocs/docs/qwbush/sarbanesoxley072302.pdf#search='Sarbanes%20Oxley%20Act%202002>.
- Tepstra, D. E. and D. D. Baker. 1992. Outcomes of Federal Court Decisions on sexual harassment. *Academy of Management Journal*, 35, 1, 181-190.
- United States Equal Employment Opportunity Commission. 2005a. Sexual Harassment Charges EEOC & FEPAs Combined: FY 1992 – FY 2004. Available at:

<http://www.eeoc.gov/stats/harass.html>.

_____, 2005a. Sexual Harassment. Available at:

http://www.eeoc.gov/types/sexual_harassment.html.

United States Sentencing Commission. 2004. Chapter Eight- Sentencing Organizations- Amendment 673. (November). Available at: <http://www.usc.gov/2004guid/APPC-2004SUPP.pdf>.

_____, 2005. An Overview of the United States Sentencing Commission. Available at: http://www.usc.gov/general/USSCoverview_2005.pdf.