2020

Strategies Business Leaders Use to Prevent Employee Financial Fraud in Their Nonprofit Organizations

Sylvia A. Lawson
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Sylvia Lawson

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Review Committee
Dr. Jorge Gaytan, Committee Chairperson, Doctor of Business Administration Faculty

Dr. William Stokes, Committee Member, Doctor of Business Administration Faculty

Dr. Robert Banasik, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer and Provost
Sue Subocz, Ph.D.

Walden University
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Abstract

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MAFM, DeVry University, 2010

BS, UNC Pembroke, 1992

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 2020

Abstract

Leaders of nonprofit organizations experience financial losses when their employees engage in financial fraud. Grounded in Cressey's fraud triangle theory, the purpose of this qualitative multicase study was to explore strategies leaders of nonprofit organizations use to prevent losses from employee financial fraud. The participants comprised 3 leaders of nonprofit organizations located in South Carolina with successful experience preventing employee financial fraud losses. Data were collected from semistructured interviews and organizational documents, such as company policies and financial statements. Yin's 5-step analysis process was used to analyze the data with 2 themes emerging: policies created helped leaders prevent losses from employee financial fraud, and procedures established and followed helped leaders prevent losses from employee financial fraud. A key recommendation is that leaders of nonprofit organizations establish internal controls by implementing cash, checks, and credit card written policies to prevent employee financial fraud losses. The implications for positive social change include the potential of financially successful nonprofit organizations to create positive social outcomes by providing increased services and employment opportunities to the local community.

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Dedication

I thank God for giving me the courage and strength to pursue the doctoral journey. Thank you, God, for your faithfulness to me. I dedicate this study to my wonderful husband, Anthony Lawson, who has supported, encouraged, and inspired me from the beginning to the end. Thank you, Anthony, for your relentless love and all of the sacrifices you made so that I could keep pursuing my goal until I made it to the finish line. I am forever grateful to you for believing in me and embracing this journey with me. I love you with all of my heart always. Thank you to my parents for your continuous prayers and instilling in me the importance of my Christian faith and values. Also, to my family, thank you for your unconditional love. I am truly blessed and grateful. I love you all.

Acknowledgments

I would like to acknowledge and thank Dr. Jorge Gaytan. Thank you, Dr. Gaytan, for being such an inspirational chair/mentor to me. I am so grateful for your strict yet gentle guidance, feedback, encouragement, and Christian leadership. Thank you so much for who you are, Dr. Gaytan, and for everything you have done for me to reach this point. I could not have done it without you. I will never forget you, Dr. Gaytan. I hope to inspire others as you have inspired me. You are the best, and I am so grateful and blessed to call you my doctoral chair/mentor, leader, and friend. May God always exceedingly and abundantly bless you and your family. I would also like to thank my second committee member, Dr. Bethany Mickahail, for your timely review and feedback. Thank you in advance to my new second committee member, Dr. William Stokes. Finally, my appreciation to Dr. Robert Banasik for his wonderful contributions to my study.

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Section 1: Foundation of the Study

Ethical behavior is important for the long-term success and development of organizations; therefore, managers must act ethically and comply with high moral standards (Zarezankova-Potevska & Potevska-Kolevska, 2017). The actions of leaders are key in promoting good behavior and creating an ethical environment (Downe, Cowell, & Morgan, 2016). The main questions many individuals have are as follows: Why are there so many unethical practices? How can leaders minimize unethical practices? How can leaders achieve ethical management resulting in ethical organizations? Only accountable managers seeking integrity through ethical practices and decision-making processes can ensure ethical organizational behavior (Snellman, 2015).

Background of the Problem

There is heightened attention to the concept of ethical leadership since the 21st century's fraud scandals of organizational leaders (Chekwa, Ouhirra, Thomas, & Chukwuanu, 2014). According to Hess and Broughton (2014), more than a decade elapsed since the accounting and corporate world of compliance changed due to the fraud scandals of Enron and WorldCom in 2001. Leaders are in positions to influence the outcomes of an organization. The emphasis of leadership in the spotlight resulted in analysis of the attributes of leaders. Researchers are exploring the concept of ethical leadership to find its importance in the business world (Lakshmi, 2014). Peltier-Rivest and Lanoue (2015) indicated that the major task for managers is learning to manage fraud risks and reduce losses. Peltier-Rivest and Lanoue emphasized that even with strong internal controls, there may be possible failure due to human error, management override, or collusion, which are causes of fraud-related losses. According to Peltier-Rivest and Lanoue, the victim organization incurs financial damages along with permanent reputational damages when the fraud becomes public knowledge because of fraudulent activity by one of its managers or employees.

In this study, I explored the strategies that leaders of nonprofit organizations used to detect and prevent employee financial fraud. Lakshmi (2014) indicated that concerns regarding the failure of leadership are present in all organizations and communities that are responsible for social change. Lakshmi also indicated that leaders must be transparent and follow ethical standards to bring about change. The implementation of ethical principles is a requirement due to the worldwide attention of the role of leadership in ethical practices.

Problem Statement

Leaders of business organizations experience financial losses when their employees engage in financial fraud (Chen, Liou, Chen, & Wu, 2019). For instance, the financial fraud at Enron cost shareholders $74 billion (Dong, Liao, & Zhang, 2018). The general business problem is that some employees engage in financial fraud that leads to financial losses for their organizations. The specific business problem is that some leaders of nonprofit organizations lack the strategies to prevent losses from employee financial fraud.

Purpose Statement

The purpose of this qualitative, multicase study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud.

The target population consisted of three leaders from three nonprofit organizations, located in Florence, South Carolina, with successful strategies in preventing losses from employee financial fraud. The implications for positive social change include the potential to provide business leaders with the strategies to prevent financial losses from employee financial fraud. Business leaders achieving financial success could provide increased employment opportunities for community members, allowing local communities to prosper.

Nature of the Study

I used the qualitative method for this study. A qualitative researcher seeks to explore what, how, and why questions, rather than explain an outcome or a phenomenon (Yin, 2018). I chose the qualitative method because I used what, how, and why questions to obtain, summarize, and analyze data related to the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. Quantitative researchers test hypotheses to examine the relationships and differences among variables using numerical measures and analyses (Saunders, Lewis, & Thornhill, 2015). I did not use the quantitative method because I did not test hypotheses or examine relationships or differences among variables by testing hypotheses. The mixed-methods methodology is a combination of the qualitative and quantitative methods (Saunders et al., 2015). The mixed-methods methodology was not appropriate for this study because I did not need to use quantitative data collection and analysis techniques to answer the research question.

I used a case study design for this study. Qualitative designs include ethnography, phenomenology, and case study (Marshall & Rossman, 2016). Ethnographic scholars explore shared patterns of groups' cultures (Yin, 2018). I did not choose an ethnographic design because I did not explore one or more groups' cultural patterns. Phenomenological researchers study the meanings of participants' lived experiences through their memories and perspectives (Saunders et al., 2015). The phenomenological design was not suitable for this study because I did not seek to describe the participants' lived experiences. A researcher uses a case study to explore real-life events and business problems that are bound by time and space (Stake, 2005; Yin, 2018). While a single case study includes only one unit or case, a multiple case study includes multiple cases or units (Yin, 2018). A multiple case study design has several advantages over the single case study design, including the generation of more robust data (Yin, 2018). I selected a multicase study design because I explored the phenomenon of employee financial fraud that is bound by three nonprofit organizations.

Research Question

What strategies do leaders of nonprofit organizations use to prevent losses from employee financial fraud?

Interview Questions

1. What strategies did you use to successfully prevent losses from employee financial fraud?
2. How did your employees respond to those strategies?
3. How were strategies to successfully prevent losses from employee financial fraud communicated throughout the organizational ranks and among stakeholders?

4. What modifications did you apply to any strategy to improve its effectiveness in preventing losses from employee financial fraud?
5. What were your key processes for preventing losses from employee financial fraud?
6. Did you encounter any key barriers when implementing strategies to prevent losses from employee financial fraud? If so, how did you overcome the barriers?
7. What else would you like to add about strategies that you used to prevent losses from employee financial fraud?

Conceptual Framework

I used fraud triangle theory as the conceptual framework for this study. Donald R. Cressey, an American criminologist, developed the fraud triangle theory to show the reasons that individuals commit fraud (Cressey, 1952). In fraud triangle theory, Cressey (1952) claimed that employees commit fraud when they have a serious financial need, rationalize their thinking processes, and detect an opportunity. Cressey suggested that these three elements must exist for an employee to commit fraud. The focus of my study was on the perceived opportunities by employees to commit fraud. Cressey also indicated that proper internal controls help to minimize losses and deter opportunities that employees perceive. The fraud triangle theory is applicable as the conceptual framework for this study because several scholars used the fraud triangle theory to explore the factors causing even highly trustworthy employees to commit fraud (Richardson, Taylor, & Wright, 2014). According to Marshall and Cali (2015), other researchers used the fraud triangle theory to understand the reasons employees commit fraud and to detect and prevent fraudulent activities in an organization. I used the fraud triangle theory as the conceptual framework for this study to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud.

Operational Definitions

The following definitions are for terms used in this research study.

Ethical leadership: The normatively appropriate conduct demonstrated through personal actions and interpersonal relationships that is promoted to followers through two-way communication, reinforcement, and decision-making (Brown, Treviño, & Harrison, 2005).

Ethics: Moral principles that leaders use to determine wrong or right (Zarezankova-Potevska & Potevska-Kolevska, 2017).

Internal control: A managerial instrument that leaders use to provide reasonable assurance that the objectives of management are being fulfilled (Dascalu, 2016).

Moral person: A person viewed as being considerate and approachable to other people in both their professional and personal lives (Treviño, Hartman, & Brown, 2000).

Organizational justice: The application of fairness practices in the workplace (Demirtas, 2015).

Unethical behavior: Acts of fraud, corruption, bribery, and conflicts of interest (Snellman, 2015).

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are statements that the researcher believes to be true, needs to conduct the research, but cannot always prove (Simon & Goes, 2013). My first assumption in this study was that the participants would be honest in answering the interview questions. My second assumption was that the participants would participate fully by answering to the breadth and depth of their knowledge and experiences of the topic. My third assumption was that the participants would have experience and knowledge regarding ethics, leadership, standards, and the nature of ethical and unethical behaviors within an organization.

Limitations

Limitations are areas in which the researcher has little control when choosing certain methodologies (Simon & Goes, 2013). Several limitations existed in this qualitative research study. One of the limitations was that the participants may not remain engaged in the research throughout the study. A second limitation was that participants' recollections of events and situations could be questionable. A third limitation was that the responses of the participants may be biased due to unknown factors at the location where the participants work.

Delimitations

Delimitations are choices made by the researcher in the scope of the study that also define the boundaries of the study (Simon & Goes, 2013). A delimitation of the study was the confined geographical area. The scope of this study was limited to three nonprofit organizations in South Carolina. The participants in the interviews were nonprofit business leaders in South Carolina.

Significance of the Study

Contribution to Business Practice

This study may be of value for preventing losses from employee financial fraud. Employee financial fraud results in financial losses for business organizations (Gilmore-Allen, 2015). Business leaders could save financial resources by preventing losses from employee financial fraud. Nonprofit organizations' leaders use internal controls to comply with government laws, produce financial reports that are accurate and reliable, and increase the efficiency and effectiveness of business operations (Mutnuru, 2016). Business leaders could use examples of strategies illustrated in the findings to prevent losses from employee financial fraud to better understand the different types of internal control flaws and implement more effective antifraud policies and processes.

Implications for Social Change

The findings from this study may have implications for positive social change that include increased knowledge related to strategies that business leaders may use to become effective leaders. Business leaders may use the results from this study to become ethical business and community leaders. Ethical leaders recognize their social responsibilities, which benefit society because ethical leaders boost consumer confidence (Benlemlih, 2017). Nonprofit business leaders may gain insights from the findings of this study to lead ethically and to create positive social outcomes in their communities.

Business leaders could use effective fraud prevention internal controls to increase the likelihood of business success, improving the economic status of the local community.

A Review of the Professional and Academic Literature

I reviewed the literature on ethical leadership and employee financial fraud published in various journals and seminal scholarly books. Google Scholar, linked to the Walden University Library's website, served as the primary source for accessing journal articles. The Walden University Library allows students access to various databases. Databases used to obtain literature for this study included Business Source Complete, ABI/INFORM Complete, Emerald Management, Sage Premier, Academic Search Complete, and ProQuest Central. Furthermore, I also accessed various open journals to obtain literature related to ethical leadership and employee financial fraud. AOSIS OpenJournals provides open access to peer-reviewed scholarly journals from various academic disciplines. Similarly, ScienceDirect provides both tolled and open access to a full-text scientific database containing journal articles and book chapters. In some instances, I accessed government websites to obtain information about ethical leadership and employee financial fraud.

The strategy for searching through existing literature entailed the use of keywords and phrases in the various databases listed above. I applied filters to database searches to narrow down the search results. These filters included specific keywords, a specified period, and specific databases. When using Google Scholar, I gave preference to articles published in or after 2016, ensuring the literature is topical and relevant. Secondly, I gave preference to articles that were available in the Walden University Library. The keywords and phrases I used in my search were *ethical leadership*, *business ethics*, *ethics in leadership, fraud losses, internal controls, unethical behavior,employee fraud, fraud triangle, fraud diamond, fraud scale, fraud, and qualitative method. Other keywords included small nonprofit buinesses, antifraud controls, whistleblower, COSo framework, signs of fraud, and asset misappropriation.* Crossref and Ulrich's Periodicals Directory are tools to verify that literature is peer-reviewed. The 190 references that the study contains include 172 scholarly peer-reviewed articles representing 91% of the total, 10 nonpeer-reviewed articles representing 6%, 2 government websites representing .5%, and 6 books representing 3%. The total references in this study published within the 2016-2020 period are 135, which is 71% of the total number. The literature review contains 88 references, with 57 references published within the 2016-2020 period, representing 65%, and 86 from scholarly peer-reviewed sources, representing 98%.

Literature Review Organization

The literature review section has several subsections. It begins with an introduction, which includes information about the strategy for searching the literature, the frequencies, and percentages of peer-reviewed articles as well as publication dates. In the next section, I focus on the application of the literature to the research question and include a brief description of the purpose of the study. The themes I discuss in this literature review are ethical leadership; ethical and unethical behavior; and strategies, processes, and internal controls to promote ethical leadership. Throughout the literature review, I compare and contrast different points of view and relationships between previous research and findings with this study.

The first theme, fraud triangle theory, includes a critical analysis and synthesis of the conceptual framework I selected for my study, which is fraud triangle theory using supporting and contrasting theories from relevant literature on the topic of ethical leadership. Some of the supporting and contrasting theories are fraud diamond theory and fraud scale theory.

The second theme, ethical and unethical behavior, starts with a brief overview of the development of ethical leadership construct over time. I discuss common concerns relating to the construct as well as the various definitions, antecedents, and consequences of ethical leadership. The third and final theme for discussion is strategies, processes, and internal controls to promote ethical leadership. The theme starts with a general discussion about leadership and leadership styles as it relates to ethical leadership. Leadership styles reviewed include servant leadership, transformational leadership, and transactional leadership.

Application to the Applied Business Problem

The purpose of this qualitative, multicase case study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. Developing an understanding of such strategies required a qualitative approach, more specifically an exploratory single case study. The findings from this study might provide insight into ethical leadership from a group of leaders' perspectives.

The findings of the study may assist with the development of appropriate strategies for preventing losses from employee financial fraud. Once an understanding of the underlying meaning emerges, appropriate strategies might equip leaders with the skills to improve ethical leadership. The findings from the study might improve business practice by identifying appropriate strategies, leading to increased productivity and organizational competitiveness. The potential for social change rests in the development of strategies to improve ethical leadership and personal well-being.

Fraud Triangle Theory

In this section, I present a critical analysis of fraud triangle theory and its supporting and contrasting theories. The fraud triangle theory emerged from white collar crimes (Maragno & Borba, 2017). Cressey (1952) created the fraud triangle theory in 1950 to explain the reasons individuals commit fraud. Cressey developed the fraud triangle theory based on the interviews with approximately 250 inmates, previously holding credible employment positions, but violated the trust bestowed upon them. Cressey noted that the individuals in prison for white-collar crimes shared some of the same characteristics. In fraud triangle theory, Cressey claimed that employees commit fraud when they have a serious financial need, rationalize their thinking processes, and detect an opportunity. Cressey suggested that these three elements must exist for an employee to commit fraud. An individual may feel pressure to support an expensive lifestyle on a limited income, act on an opportunity to commit fraud, and rationalize that his/her actions are justifiable and moral (Zakaria, Nawawi, & Salin, 2016).

Several researchers suggested the fraud triangle as the most prominent theory regarding fraudulent behavior research (Huber, 2017). Wall and Fogarty (2016) claimed that the fraud triangle is not a theory of fraud; rather, it is a basic framework of fraud. According to Roden, Cox, and Kim (2016), business managers using the fraud triangle theory may greatly reduce the possibility of fraudulent activity within the organization along with upholding the credibility of the employees and the organization. Verschoor (2015) stated that some business owners apply the knowledge gained regarding the fraud triangle to offer business ethics training to employees. According to Kramer (2015), business managers consider the fraud triangle to effectively confront fraud risk factors.

Akuh (2018) explored occupational fraud through the lens of fraud triangle theory and recommended that occupational fraud can be a threat to the viability of small businesses. Some managers possessing an understanding of the fraud triangle design concept may gain insight of occupational fraud and the strategies to prevent for a successful business (Akuh, 2018).

Kumar, Bhattacharya, and Hicks (2018) suggested that there is an increased awareness of occupational fraud as a leading criminal threat. The cost should be passed to someone else, which is usually the final consumers. Kumar et al. (2018) stated that occupational fraud is when employees exploit their employer with unethical behavior, resulting in increased costs to consumers. The benefits achieved from the reductions of occupational fraud should more than outweigh the costs of improvements (Kumar et al., 2018).

Machado and Gartner (2018) suggested that there is an increased awareness of corporate fraud since the occurrence of major corporate scandals. Machado and Gartner claimed that all fraud consists of errors, but all errors are not considered frauds. Machado and Gartner stated that corporate fraud is relating to financial fraud. When internal controls are not adequate, there is greater possibility of the perceived opportunity to commit fraudulent behavior (Machado & Gartner, 2018).

Azam (2018) claimed that the real cost of fraud is not easily computed with certainty. Fraud continues to flourish from different fraudulent activities carried out by the wrongdoers, developing creative ways to deceive the innocent organization. Azam noted that employers become surprised by the new strategies that employees use to take advantage of employers. Previous accounting and auditing researchers greatly discussed the topic of corporate fraud, in which the concept of the fraud triangle is the basis for a significant part of the studies. The definition of fraud in SAS NO. 99, according to fraud triangle theory, is an act of intention that causes material misstatement in financial statements in which an audit is essential (Soltani, 2014).

According to Roden et al. (2016), there are different types of fraudulent behavior, but the most known violation is in earnings management. Roden et al. found that, in most cases, managers were overstating revenues and understating expenses to meet expectations. While many of these cases involved recognizing unearned revenue, other cases involved fraudulent acts of creating fake invoices or customers inflating revenue earnings. Another type of fraudulent activity was in the nondisclosure of material information, such as liabilities or transactions of related parties, which can be the cause of fraud-committing individuals preparing the financial statements to mislead the investors. Interestingly, the number of embezzlement charges were at the lowest percentage. Roden et al. noted that most unethical behaviors were not acts of embezzlement but were top managers committing the fraudulent behavior, mostly through collusion. According to

Azam (2018), trusted employees receive access to the organizations' properties, which can consist of the computers, accounting funds, and records. These employees also undergo training in the skills required to perform their job efficiently; however, sometimes employees choose to apply these skills in an unethical manner.

Kramer (2015) indicated that business owners may use the fraud triangle theory to gain insight of the reasons that employees commit fraud. Small business owners and managers may also obtain knowledge of ways they could use the fraud triangle theory as support to managers and small business owners in preventing fraud (Andon, Free, & Scard, 2015). Business owners and managers can use the fraud triangle theory to prevent fraud before it happens (Kramer, 2015). Klein (2015) indicated that employees normally portray behavioral traits that managers and business owners may use to determine the employees' motives before they commit fraud. Some business owners embrace integrity in the workplace to minimize financial loss due to fraud (McMahon, Pence, Bressler, & Bressler, 2016).

Aspects of fraud triangle. Lokanan (2015) stated that individuals perceive an aspect of fraud triangle as either financial or nonfinancial. Some people choose not to share their financial problems for fear of hurting their social status; therefore, not getting the help they need (Bishop, DeZoort, & Hermanson, 2017). Individuals vindicate their unethical behavior by rationalizing their actions (Azam, 2018). Azam (2018) suggested that honest people will commit fraud when there is extreme financial pressure. Financial pressures can be the result of individuals' perception of their financial need which can lead them to behave unethically (Richardson et al., 2014). Different factors can be the source of financial pressures such as bankruptcy, divorce, medical emergencies, habits, or addictions. Individuals may resort to committing unethical acts to obtain the money to support these perceived financial pressures (Hess & Cottrell, 2016).

Hess and Cottrell (2016) noted that the employees that are trustworthy and have been with the company for several years usually perpetrate most fraudulent activity in small businesses. It is the employees' status and trustworthiness that makes it less challenging for them to steal from their employer and conceal the unethical behavior. Some individuals may commit fraud or behave unethically because of the character, attitude, and ethical values that they possess (Soltani, 2014). Another factor noted by Omar, Nawawi, and Puteh Salin (2016) is that some individuals may be influenced to commit fraudulent acts because of the needs or demands of other family members. Employees may feel the need to commit fraud when they feel that their job security is threatened (Roden et al., 2016).

A significant amount of pressure on managers to accomplish financial goals or increase revenues can be a reason to commit fraud. Individuals committing fraudulent acts are likely to justify the reason of unethical behavior based on the significance of the perceived financial pressure by that individual (Soltani, 2014). Hess and Cottrell (2016) believed that most perpetrators do not have a criminal history of dubious behavior; however, perpetrators engage in rationalizing and make terrible choices when facing these intense personal perceived pressures. Cressey (1952) believed that rationalization is always present before the unethical behavior occurs. Mui and Mailley (2015) indicated that business managers may be able to establish, monitor, and maintain effective controls when they understand some of the factors that are the result of people behaving unethically. Lokanan (2018) suggested that rationalization of the fraudulent act happens before the individual actually commits the act. Rationalization can be a tool that employees use to convince themselves that they are still trustworthy, and the unethical misconduct is acceptable based on the circumstances. Schuchter and Levi (2015) noted that, along with rationalization, there is a guilty conscience that happens after the unethical behavior and a fraudulent controlling inner voice. The voice weakens in volume as time passes and before the occurrence of the fraudulent behavior.

Muhtar, Sutaryo, and Sriyanto (2018) noted that having an effective internal control system may not be sufficient to completely prevent fraud due to those in leadership becoming involved in unethical practices and overriding internal control systems. Muhtar et al. claimed that the opportunity to commit fraud can be the result of weak internal controls. Muhtar et al. also proposed that individuals are less likely to commit fraudulent activity when there is not an available opportunity and stronger internal controls. Shinde, Willems, Sallehu, and Merkle (2015) defined opportunity as the likelihood to commit and conceal fraudulent behavior. Employees have available opportunities to misuse or embezzle assets when they believe there are no internal controls in place or even when managers can override internal controls (Richardson et al., 2014; Soltani, 2014). Chen, Cumming, Hou, and Lee (2016) believed that the stronger the internal controls of an organization, the lesser the perception of employees that there is an available opportunity to commit fraud. Business owners prioritize fraud prevention controls to decrease the loss of money, stress, and energy that are a part of detecting fraud

(McMahon et al., 2016). Some business managers promote honesty and integrity to decrease financial losses due to fraud (Kramer, 2015).

According to Schuchter and Levi (2015), opportunity can be a major reason that employees commit fraud, even when there is no pressure, rationalization, or incentives behind the unethical behavior. A major opportunity for fraudulent activity in small businesses is the inadequate segregation of duties (Roden et al., 2016). Schuchter and Levi noted that some fraudsters possessing expertise, capabilities, and experience in committing fraud, took advantage of the lack of internal controls and managers' knowledge, which made it easy to commit the fraudulent acts. Schuchter and Levi also indicated that in accounting research, the issue of weak internal control is also related to the available opportunity. Soltani (2014) stated that the lack of internal controls, the ineffectiveness of internal controls, and managers' ability to nullify controls present an opportunity for fraudulent behavior to occur. Small businesses not having the proper segregation of duties can result in opportunities for fraudulent behavior (Lokanan, 2015).

Brown, Hays, and Stuebs (2016) indicated that the opportunity for fraud arises when there are no internal controls, ineffective internal controls, or managers' override of controls. Zakaria et al. (2016) believed that weaknesses in internal control are key factors for fraudulent activity. The lack of supervision and improper documentation can promote opportunities for behaving unethically by misappropriating assets. One of the major opportunities for fraudulent behavior in small businesses is the inadequate segregation of duties. The lack of segregation of duties and the over reliance of one individual to perform many duties can lead to fraud (Karim, Nawawi, & Salin, 2018). Opportunities for whistleblowing also exist when someone has awareness of unethical behavior and a duty to report the fraudulent act. The organizational environment is a major determinant of the effectiveness of the internal control as a tool to secure the organization from unethical behavior by employee (Azam, 2018). Brown et al. (2016) also noted that whistleblowing opportunities are impacted by the legislated institutional whistleblowing policies, such as the Sarbanes-Oxley Act of 2002, which promotes available channels to report fraud.

The rationalization component of the fraud triangle comes into play when an individual chooses to either report or not report the wrongdoing. The characteristics that influence the opportunity element of the fraud triangle relate to the level of control perceived. Factors that affect the level of perceived control are the policies and procedures of the organization, along with the employees' perceptions of those policies and procedures (Brown et al., 2016). Brown et al. (2016) noted that some individuals feel that they cannot blow the whistle for fear of retaliation from other individuals within the organization. In previous research, it is believed that approximately 38% of whistleblowers experience some form of retaliation. Though whistleblowing has not been perfected, it still remains as an important tool for detecting fraud (Brown et al., 2016).

Managers' role in minimizing fraud. Soltani (2014) stated that ethical culture in an organization is the basis for managers' perceptions and the way they make decisions. The upper managers are responsible for implementing a suitable ethical code of conduct within the organization. Soltani believed that the perceptions and actions of managers may affect the ethical culture of an organization. A company's top managers must be committed, involved, and supportive in setting standards that are necessary for maintaining an adequate internal control system. If managers do not implement adequate internal controls and remove the opportunity for fraudulent activity, employees may be allowed to access records, while on the job, which can be an incentive for them to commit fraud or behave unethically. Managers define internal controls as the procedures and policies of the organization created to give reasonable assurance of the achievement of the goals of the organization; compliance of processes and practices with contracts, laws, and regulations; and safeguard of assets. Managers can enhance the value of the organization by having an internal control system that is effective in minimizing unethical behavior, such as fraud (Zakaria et al., 2016). Weaknesses in the internal control system can promote opportunities for fraudulent behaviors to occur (Lokanan, 2015).

Soltani claimed that managements' practices, policies, and procedures should promote ethical behavior in the organization. Managers have a key position in the structure of the organization and a great influence of unethical behavior by compromising accounting records and creating fraudulent misleading financial information. Managers should develop job descriptions and delegate authority for each employee (Frazer, 2016). Moyes, Anandarajan, and Arnold (2019) suggested that all businesses are subject to the risk of fraud; therefore, to prevent fraud, managers are implementing training, policies, and procedures to detect possible fraud. Karim et al. (2018) stated that the uncertainty of practices and lack of basic operating procedures can lead to weaknesses in internal control.

Kramer (2015) stated that some business owners adhere to the fraud triangle to promote code-of-ethics training and to understand the perspectives of individuals. Training employees is a major fraud prevention or detection tool that business leaders use to understand the various aspects and tasks that require monitoring. According to Frazer (2016), managers should develop and implement job descriptions, along with the appropriate level of authority for all employees. Kramer (2015) suggested that promoting a way for employees to anonymously report unethical behavior is useful for reducing the fear of retaliation against the employee.

Weaknesses of fraud triangle. Although several individuals support the fraud triangle, some others criticize the theory (Lokanan, 2018). Critics of the fraud triangle questioned the assumption that the fraud triangle essentially refers to fraud. The term *fraud triangle* is misleading because fraud triangle is in name only; however, it cannot be applicable to fraud (Huber, 2017). Some reviewers suggested revisions of the fraud triangle to establish a fraud pentagon (Marks, 2010) or a fraud diamond (Wolfe & Hermanson, 2004). Marks (2010) stated that the employees' competence or ability help in promoting the conditions for fraud. Huber (2017) noted that some researchers argued that a fraud diamond or square is more appropriate, with the fourth point being *capability*, but researchers did not embrace those theories as much as they did fraud triangle theory. Wolfe and Hermanson (2004) debated that a fourth element in which fraud occurs is when an individual with the proper capabilities commits the fraud. Marks added a fifth element, known as arrogance to the model, in which a fraud pentagon is created. Marks defined arrogance as an attitude of entitlement by the perpetrator believing that they are above the policies and procedures of the organization. Marks' and Wolfe and Hermanson's suggestions to revise the fraud triangle depend on personal assertions that lack significant empirical testing and support.

Defenders of the fraud triangle debated the many criticisms of the fraud triangle, but some of those criticisms established the foundation of fraud theory since it originated (Huber, 2017). According to Huber (2017), several criticisms consist of the claim that individuals mishandled, mismanaged, and misused fraud triangle. Huber debated that even though the fraud triangle has been sustained since its inception, there has been no justification of its usage for fraudulent purposes. Huber also argued that fraud triangle existed in name only, but fraud triangle has never been a reality. According to Homer (2020), Cressey (1952) claimed responsibility for the creation of the hypothesis that explained the reasons for all of the fraudulent behavior studied. Homer further stated that Cressey recommended future research on fraud triangle theory because of the possibility that all three components of the hypothesis may not exist in an example of fraud, which could also prove the fraud triangle theory to be false.

Other contrasting and rival theories. Wolfe and Hermanson (2004) made an expansion to the fraud triangle theory by adding a fourth component of *capability* to create the fraud diamond theory. Wolfe and Hermanson claimed that personal traits and abilities are important in the explanation of fraudulent behavior. According to Omar and Din (2010), capability is a characteristic in which opportunity becomes reality. Basically, capability means having the power to make decisions along with the technical wisdom and trust. Omar and Din stated that the person committing the fraud identifies the opportunity and subsequently possesses the ability to change it to reality. Fraud is an unlikely act if the fourth element is not present along with opportunity and rationalization (Wolfe & Hermanson, 2004).

Peltier-Rivest (2017) stated that fraud diamond theory can be an application theory for first-time and repetitive fraud offenders. The causal factors for first-time offenders are perceived opportunity, financial pressure, and ethical reasoning. The contributing factors for the repeat offenders are perceived opportunity, arrogance, and unethical intent (Peltier-Rivest, 2017).

The fraud triangle theory and fraud diamond theory are helpful in providing insight of the reason a person may participate in fraud; however, it is the power theory that is beneficial in providing an explanation of the way that one person can affect another individual to participate in the act of fraud (Azam, 2018). According to Azam (2018), fraud can be committed by any individual, even those most trusted. Azam revealed that the fraudulent acts are small in nature at the beginning, but grow into much larger transgressions (Azam, 2018). Azam pointed out that pressure from work and one’s own greed can lead to the fraudulent act. Azam also noted that in the event of the occurrence of fraud, power of someone else does play a main role in influencing the individual to commit fraud, even though in the beginning the individual resisted. A person of any age or gender may be influenced to commit fraud and portray trustworthiness (Davis & Harris, 2020). Davis and Harris (2020) expressed that small business owners are not exempt from employee fraud, and should implement effective internal control procedures and internal control processes to prevent employee fraud.

Mui and Mailley (2015) claimed that the crime triangle theory supports the fraud triangle theory with an emphasis on the perpetrator. The focus of the crime triangle theory is on individuals that can participate in preventing or committing fraud by either playing or not playing their role (Mui & Mailley, 2015). Mui and Mailley claimed that researchers may achieve a thorough view of the fraudulent behavior with the application of both triangle theories. Mui and Mailley suggested that the crime triangle, as a compliment to the fraud triangle, will allow researchers and forensic accountants to identify weaknesses in current management strategies for fraud risk.

According to Mui and Mailley (2015), individuals could assess the location of the crime either physically or virtually through computer networks. It is not always easy to determine the rationalization and motivation of the perpetrator to commit fraud (Mui & Mailley, 2015). Mui and Mailley claimed that it can be difficult for managers to design strategies to prevent fraud in the absence of one or more components of the fraud triangle. Vousinas (2019) argued that the complexity of fraud makes it challenging to detect. Vousinas suggested that the different fraud models that have been created to explain the reasons that individuals commit fraud are insufficient and need to be updated. Vousinas proposed a new model to be created known as the stimulus, capability, opportunity, rationalization, and ego (SCORE) model. The SCORE model is derived from the fraud diamond, which is an addition to the fraud triangle. The SCORE model recognizes the ego element, which plays a vital role in the influence of individuals to commit fraud. Vousinas expressed that the SCORE model is portrayed in the fraud pentagon.

Ethical and Unethical Behavior

Shin, Sung, Choi, and Kim (2014) examined the relationship between ethical leadership and the benefits to firm performance. Shin et al. (2014) identified possible internal mechanisms in which the ethical leadership of upper management affects organizational outcomes. Shin et al.'s main focus of the study was that the ethical beliefs and behavior of upper management are vital for the performance of organizations. Shin et al. indicated that observation of ethical leadership of upper management and organizational climate can occur in different degrees based on the size of the organization. Shin et al. concluded that the direct effects of top managers' ethical leadership are insignificant to organizational outcomes, but also showed that ethical leadership affects organizational outcomes by intermediate organizational processes. Shin et al. suggested future research to assess the effect of ethical leadership on organizational climate and performance by implementing more rigorous research designs.

Boateng, Akamavi, and Ndoro (2016) conducted a quantitative study to examine the measure of performance of nonprofits. Boateng et al. (2016) indicated that measuring the performance in charities is controversial and that there are questions about the effectiveness of the measures of the construct. Boateng et al. stated that if performance measures are not in place for the charitable sector, it will be difficult to respond to criticism for poor management. Boateng et al. indicated that charities have become important as donors and clients. Charity leaders have a responsibility to act as good stewards and to ethically manage funds from donors, governments, and foundations.

Charity leaders have a responsibility to accomplish their mission in the interest of public good because of their status as tax-exempted organizations.

Tormo-Carbó, Seguí-Mas, and Oltra (2016) examined the importance of accounting ethics. According to Tormo-Carbó et al. (2016), there has been an increase of intensity regarding public debate of business ethics due to a number of well-known fraud scandals. Tormo-Carbó et al. indicated that along with the need of balancing social prosperity with business profits, a need also exists to teach business ethics in higher education curricula. Tormo-Carbó et al. stated that the purpose of their study was to help future business individuals and accounting professionals improve their ethical behavior.

Tormo-Carbó et al. (2016) indicated that students having previously taken an ethics course were likely to consider that accounting education should include ethical considerations in its curricula. Tormo-Carbó et al. also indicated that student participants were receptive to ethics being taught and felt that teaching accounting ethics was important. Tormo-Carbó et al. suggested future research of the integration of accounting ethics taught in other courses and the effect on the students' ethical behavior.

Fiolleau, Libby, and Thorne (2018) suggested that there is opportunity for fraudulent acts to occur in an organization because of the agency relationships that are present between managers and business owners. The delegation of decision rights to managers allows them to act on behalf of the organization, which can also result in an opportunity for managers to act unethically. Fiolleau et al. indicated that the implementation of organizational controls could minimize the fraudulent behavior and increase the probability to detect the unethical behavior. Fiolleau et al. explained that the misreporting of financial information is one unethical act that organizations attempt to control. Fiolleau et al. stated that managers can also misreport other accounting information, such as budget information and earnings management. Fiolleau et al. suggested that weaknesses in the morals of managers can spread throughout the organization and its culture.

Greenwood and Freeman (2017) wrote an article with an emphasis on ethics. Greenwood and Freeman indicated that the foundation of business ethics is in philosophy and religious ethics. Greenwood and Freeman stated that the civilizations around the world have challenged the idea of *ethics*. Greenwood and Freeman believed that psychologists, economists, critical theorists, and humanists all make contributions to business ethics. Greenwood and Freeman created new sections of the journal to support academics to emphasize business ethics.

Moyes et al. (2019) claimed that there are different types of fraud, but the types of fraud that occur more often are theft, embezzlement, and credit card fraud. Moyes et al. identified a group of nine types of fraud that occur at a regular frequency: identity theft, money laundering, computer, billing, misappropriation of assets, internet, payroll, falsified documents, and tax fraud. Lastly, a group of seven types of fraud that occur less frequently included: double payments, unauthorized signatures, unauthorized purchases and payments, fraudulent transactions, insurance, check forgery, misappropriation of funds (Moyes et al., 2019). Moyes et al. also suggested that these types of fraud signal red flags to an auditor. The authority of managers to over-ride-internal controls rather than promote them can result in fraud that is more critical to detect by auditors in comparison to fraud committed by employees (Moyes et al., 2019).

Chan and Ananthram (2016) conducted a quantitative study to examine the types of virtues that are promoted by spirituality in shaping ethical behavior. Chan and Ananthram indicated that it is critical to understand ethical decision-making by recognizing virtues that are different. Chan and Ananthram claimed that at the individual level, religious virtues are an influence in promoting ethical decision making. The application of religious virtues consists of having an understanding of the virtues that are appropriate to use in business dealings and practices that require flexibility and open-mindedness. Chan and Ananthram indicated that some executives apply their spirituality and religiosity in their organizations with the goal of promoting ethical virtues at the organizational level. The executives turned to an ethical code of conduct, organizational policies, and compliance programs. These external controls are methods that managers can use to carry out their duties with integrity. A limitation of Chan and Ananthram's study was the difficulty in grasping the extent to which virtues, religiosity, and spirituality are instilled into organizations. Chan and Ananthram suggested future research to investigate barriers and developers of religious and spiritual-based virtues of various organizational contexts.

Demirtas (2015) explored the effects of organizational justice on work engagement, organizational misbehavior, and ethical leadership. Demirtas also explored the effect of ethical ideology on the same variables. Demirtas indicated that employee acknowledgement and emotional reactions to the unethical behavior of their leaders were key factors on the outcomes of individual behavior. Demirtas hypothesized that ethical leadership behavior had an effect on organizational members' work engagement and organizational misconduct. Demirtas also hypothesized a weaker relationship between ethical leadership and organizational justice due to ethical ideology. Demirtas stated that the focus of organizational justice was on perceptions related to fairness in the workplace. Demirtas proposed that the ethical values of organizational managers and members, such as exceptionalism, absolutism, situationism, and subjectivism, were agents of virtue within the organizations. Demirtas contributed to the ethical leadership literature by showing that ethical leadership influences organizational justice, employee work engagement, and employee misconduct. Demirtas indicated that there is a relationship between ethical leadership and individual behaviors. According to Demirtas, ethical leadership relates to the actions, behaviors, and conversations of others that include appropriate norms. Demirtas recommended further research to examine the relationship between ethical leadership and individual behavior more closely.

Hewlin, Dumas, and Burnett (2017) examined the relationship between ethical leadership and its influence on followers. Hewlin et al. stated that employees have a tendency to suppress personal values and pretend to support the values of the organization when viewing the leader as having high integrity. Hewlin et al. concluded that a leader having low integrity appears to release employees from feeling obligated to conform to the values of the organization. Hewlin et al. made a significant contribution to leadership research by providing insight of the ways that employees manage their experiences with low value congruence in the workplace. Hewlin et al. suggested that the perception of a leader with integrity is not sufficient for creating an encouraging environment for diversity of expression. Hewlin et al. showed that people being true to themselves tend to connect to their work. Hewlin et al. suggested future research in the same areas of ethical leadership to promote positive outcomes for the organization and its members.

Mo and Shi (2017) examined the influence of ethical leadership on employee burnout, task performance, and deviant behavior through psychological mechanisms by (1) establishing higher levels of employee trust in leaders and (2) demonstrating lower levels of surface acting toward their leaders. Mo and Shi defined surface acting as a performance in which individuals modify their behavior to create a desirable image in workplace relations. Mo and Shi examined the psychological mechanisms that associate ethical leadership to employee work-related outcomes. Mo and Shi indicated that employees could possibly increase trust in leaders honoring their promises and displaying consistent behavior. According to Mo and Shi, this level of trust is established due to ethical leaders that reward ethical behavior and discipline unethical behavior. Mo and Shi indicated that employees are likely to trust their leader when the leader supports and treats them fairly.

Mo and Shi stated that ethical leadership has a definite impact on employees' negative attitudes and behavior; therefore, organizations must identify, select, and promote people that demonstrate desirable ethical values as a leader. Mo and Shi contributed to the ethical leadership literature by examining the value of ethical leadership in managing employees' unethical behavior in the workplace. Mo and Shi recommended future research to verify the empirical results with a demanding research design.

Letwin et al. (2016) conducted a study in an attempt to provide a broader view of ethical leadership. Letwin et al. made three contributions to the literature of ethical leadership by first providing a full account of ethical leadership in considering the perspectives of the managers and employees. Letwin et al. made a second contribution by exploring the span of which supervisors' ethical ideologies are linked with their views of leadership behavior and if their beliefs explain differences in leader outcomes that surpass ethical leadership. Letwin et al. made their final contribution by testing their predictions with data that extended the generalizability of prior research.

Letwin et al. (2016) explored the tensions that leaders face in serving those to whom they manage and those to whom they report. Letwin et al. examined the relationships of ethical leadership in an effort to understand the effect of ethical beliefs of supervisors on the outcomes of leaders. Letwin et al. stated that rewarding ethical leadership is vital to organization performance. Letwin et al. explained that being an ethical leader can influence employees to work harder and achieve evaluations that lead to promotions. Letwin et al. suggested further research in the relationship of ethical leadership and leader level outcomes.

Eisenbeiss and Knippenberg (2015) conducted a quantitative study to examine the conditions in which ethical leadership can have a positive influence on the followers' work behaviors. Eisenbeiss and Knippenberg proposed that individuals differ in terms of their sensitivity toward the processing of moral information that ethical leaders demonstrate. Eisenbeiss and Knippenberg also indicated that, because of these differences, individuals will react differently to ethical leadership. Eisenbeiss and Knippenberg indicated that moral emotions and mindfulness affect the association between ethical leadership and follower work behavior. Eisenbeiss and Knippenberg explained that their study was the first to examine the concept of mindfulness in the aspect of leadership, extending the research of connecting mindfulness and leadership ethics. Eisenbeiss and Knippenberg concluded that the mindfulness of followers is vital for controlling attitudes toward ethical leadership. Eisenbeiss and Knippenberg recommended future research of the role of mindfulness for ethical leadership. Eisenbeiss and Knippenberg also recommended an examination of the mindfulness of leaders and the effects on ethical decision-making and ethical behaviors.

Elayan, Li, Liu, Meyer, and Felton (2016) conducted a quantitative study to examine the equity valuation effect of press releases of upgrades or downgrades that are provided in the covalence ethical quote (CEQ). The CEQ is an index for ranking the ethical performance of multinational firms. Elayan et al. indicated that CEQ is updated quarterly and includes 45 criteria that reflect working conditions' impact of production, impact of product, and the institutional impact of the company. According to Elayan et al., CEQ captures many aspects of the employees' ethical performance that are not present in previous research.

Elayan et al. (2016) stated that investors perceive that the benefits of ethical corporate behavior are more than its costs. Elayan et al. indicated that investors like to see positive ethical behavior and are willing to pay to have it in their organizations.

Elayan et al. claimed that there is a significant causal relationship between reactions of the stock market and the changes in CEQ. Elayan et al. also claimed that disclosures of positive changes in the firm's ethical performance causes increases in the firm's value. Elayan et al. concluded that little research has been done to examine the influence on the company's creditors and suggested future research to examine this issue.

McCoy (2015) examined ethical dilemmas that are a challenge for management accountants. McCoy indicated that managers' decision-making role continues to expand along with the likelihood that managers will need to use ethical values in their decision making. McCoy's study comprised 30 participants from 15 business firms, in which each firms' participants consisted of the chief financial officer and an entry-level management accountant. McCoy's findings indicated that 57% of the participants were involved in some aspect of an ethical dilemma that involved financial reporting and 19 of the participants reported facing an ethical dilemma that involved employee supervision. McCoy highlighted the importance of employers and professional accounting organizations to promote ethical behavior on behalf of employees and members. McCoy indicated that management accountants face an ethical dilemma regarding financial reporting and the manipulation of reported profits. McCoy stated that all but one of the participants in the study reported the refusal to commit the unethical act, which may indicate that other management accountants will act ethically when they experience similar situations.

Kaptein (2017) explored the concept of business ethics and indicated that for leaders in organizations to be and remain ethical is a challenge for organizations. Kaptein developed a theory of struggle that emphasized the meaning and importance of struggle in organizations. Kaptein explored the need for struggle and the antecedents and consequences. Kaptein concluded that the larger the gap in ethics, the bigger the struggle. Kaptein stated that it was important for business organizations to become and remain ethical.

Kaptein (2017) proposed a struggle theory of ethics to point out the frequency and occurrence of unethical behavior in organizations. Kaptein stated that a struggle theory for organizations embraces the research of ways that individuals deal with temptations. Kaptein stated that managers may face much pressure and temptation that all struggles are not successful. Kaptein indicated that unethical behavior can occur without pressures and temptations, but out of ignorance and habit. Kaptein stated that ethical leadership does not depend upon managers to be in the front row, but managers are to be in the position where challenges most occur, which may require them to struggle the most. Kaptein stated that a view of ethics as a struggle requires the need for controls in reducing fraud, such as dual signing to authorize an invoice. Kaptein suggested future research to measure and assess the constructs of struggle.

Neves and Story (2015) examined the relationship between ethical leadership and organizational deviance by commitment to the organization. Neves and Story believed the link between ethical leadership and organizational deviance could mirror the quality of the employee-organization relationship. Neves and Story also proposed that the relationship is dependent on supervisors' personal reputation of performance. Neves and Story defined ethical leadership as being the demonstration of appropriate conduct through personal actions and interpersonal relationship. Neves and Story defined ethical leadership as having three important characteristics in a leader: (a) represents a valid and credible role model, (b) reinforces ethical behaviors along with emphasizing the importance of ethics, (c) assesses the ethical implications of the decision. Neves and Story confirmed their hypotheses through the sample comprised of 224 employees and their supervisors from 18 organizations. Neves and Story's study expanded areas for research in ethical leadership. Neves and Story recommended future research for a deeper understanding of the link between ethical leadership and employees' behavior.

Pucic (2015) examined the cause, consequences, and the unique role of ethical leadership in the workplace. Pucic conducted two different studies of two independent samples that comprised 1,500 workers in each study. Pucic focused on ethical leadership as an antecedent, mediator, and outcome of variables regarding pragmatic importance to the workplace. Pucic asked if the outcomes of *leading by example* exceed beyond the task environment and, if so, could those outcomes be attributed solely to the leader? Pucic proposed that leaders involved in scandals must be considered ethical leaders by some of their followers at some point in time.

Pucic (2015) conducted the study to gain insight of the extent to which the status of the follower affects the perceptions of the ethical dimension of leadership. Pucic also wanted to find if there was a link between ethical leadership and the desired outcomes of the organization. Pucic concluded that a follower's rank is positively linked to the follower's perception of ethical leadership. Pucic recommended future research to include collecting ethical leadership ratings of both the leader and the follower.

Wilson and McCalman (2017) conducted research to propose that leadership scholars should move away from authenticity and move toward ethicality as the focus of the study. Wilson and McCalman also proposed that taking time to analyze core assumptions of ethical leadership, rather than study it, would influence the understanding of its meaning. Wilson and McCalman indicated that examining ethical leadership in a broader span of social, historical, and cultural frames would influence the understanding of ethical leadership. Wilson and McCalman suggested that a renewed concern for ethical leadership for the greater good will require the embracement of the idea, which is important to all who practice ethical leadership.

Fehr, Kai Chi, and Dang (2015) conducted a study with a focus on ethical leadership. Fehr et al. (2015) defined ethical leadership as the moralization of the leader's actions, which means a follower's perception of the leader's actions is morally correct. Fehr et al. argued that followers will often moralize their leaders' actions when those actions coordinate with the follower's moral foundations or the moral concepts of the organizational culture.

Fehr et al. (2015) questioned the influence of moralization on followers' motivation and behavior. Fehr et al. suggested that two specific motivations are produced by moralization: (a) a motivation to possess moral self-regard and (b) a motivation to possess a moral reputation. Fehr et al. adopted a follower centric approach to ethical leadership to address the vital role of moralization in the creation of ethical leader perceptions. Fehr et al. did not clearly determine that ethical leadership leads to desirable outcomes. Fehr et al. suggested that in the future, researchers carefully consider how leaders can possibly shape the moral foundations of their followers.

Li, Wu, Johnson, and Avey (2017) conducted a study to advance the research on the insights of ethical leadership processes. Li et al. contributed to the social learning framework of ethical leadership by creating and testing a model. Li et al. examined the circumstances to understand the link of ethical leadership to the commitment of employees. Li et al. indicated that altruistic motives slightly reconcile the relationship between perceived ethical leadership and organizational commitment. Li et al. suggested that, like other leadership styles, ethical leadership operates by cognitive processes. Li et al. concluded that subordinates perceiving the environment as less political in comparison to the subordinates that see it more political, have the most positive attribution and the lowest level of effective commitment when they see their supervisors demonstrating less ethical behavior. Li et al. claimed that subordinates can discern if the supervisors are truly acting for the benefit of the organization before responding to their supervisor's example of ethical leadership. Li et al. suggested further research into the conditions that ethical leadership influences employee outcomes.

Lee, Choi, Youn, and Chun (2017) examined the role of ethical leadership regarding a direct ethical outcome of the employees' moral voice. Lee et al. focused on the influence of ethical leadership on the motivation of employees to voice their opinion about ethical issues. Lee et al. conducted the study to investigate the ethical leadership-employee moral voice relationship, the mediating role of moral efficacy in a relationship, and the moderating role of leader-follower value congruence in the ethical leadership moral efficacy moral voice relationship.

Lee et al. (2017) suggested that ethical leadership is an active force that promotes employees' ethical actions and moral voice. Lee et al. explained that the moral voice of an employee is unique and a useful outcome variable for research on the role of ethical leadership. Lee et al. claimed that moral voice confronts unethical issues, which also creates potential risks. Lee et al. concluded that leaders share their personal ethical values with their followers and that ethical leadership becomes more effective for employees whose values are similar to those of their leaders.

According to Leavy (2016), three publications by noted authors provide insight and direction of the importance of a leader's character, values, identity, and skills. Leavy stated that the findings of the authors suggest that high-character leaders demonstrate to deliver a greater business performance, which is also linked to greater levels of employee engagement. Leavy argued that leadership is not just a product of character habits only, but comprised of the skills that a leader possesses. Leavy also claimed that the development of leadership is dependent upon two main components, which are service and commitment to continued learning.

Caldwell, Ichiho, and Anderson (2017) explored the ethical perspectives of leadership humility. Caldwell et al. compared humility with 12 ethical perspectives and presented humility as an ethical leadership construct that promotes leaders to build trust, followership, and commitment. Caldwell et al. indicated that leaders can become effective if they understand the implicit ethical nature of leadership and the necessity of humility in building trust. Caldwell et al. identified 12 key factors of level 5 leaders (L5Ls). Caldwell et al. indicated that leaders should embrace all 12 of the key factors so that L5Ls can lead their organizations to grow from good to great. Caldwell et al. emphasized that it is in embracing these elements of humility that allows leaders to revitalize their organizations, empower others, and accomplish their own goals.

Maulidi (2020) suggested that moral choices are a main reason that an individual commits fraud. The individual is not worried about doing the right or wrong action, but is more interested in doing what is best for own self. The individual’s moral beliefs are overshadowed by their own greedy selfish desires.

Maulidi (2020) indicated that money could be an incentive for the unethical behavior, but is not a required motive that must exist for an individual to act unethically. Maulidi defined fraud as an unethical action for personal greed, but personal greed was not the reason for committing fraud. Maulidi expressed that the individuals commit fraud because of their obligation to another person rather than their own selfish desires, which can result in the two individuals becoming partners in the fraudulent actions.

Zarezankova-Potevska and Potevska-Kolevska (2017) explored the concept of business ethics in business activities. Zarezankova-Potevska and Potevska-Kolevska stated that business ethics are part of the business philosophy and are a set of standards for good or bad decision making. Zarezankova-Potevska and Potevska-Kolevska indicated that ethics are moral principles that leaders use to determine wrong or right. Zarezankova-Potevska and Potevska-Kolevska also indicated that the 10 Commandments are the foundation of business ethics, which people have used in everyday life throughout history.

Grant and McGhee (2017) explored the personal moral values of directors in their task of governing organizations. Grant and McGhee suggested that a person’s moral values are contributions to facets of governance, such as a code of ethics. Grant and McGhee used thematic analysis of transcripts and found three emerging key themes, which relate to personal moral values that are (a) powerful drivers of ethical decisions, (b) more influential than codes, and (c) part of an individual’s identity. Grant and McGhee suggested that the directors’ personal moral values are the determining factor in decision making and in dealing with difficult situations.

Lal (2015) examined the concept of ethical behavior on corporate financial performance and indicated that the ethical behavior of company managers has a positive influence on the performance of a company. Lal also indicated that various stakeholders challenge managers of all organizations to act ethically by increasing pressure and establishing governmental regulations to meet ethical requirements. Lal claimed that there is heightened attention to the topic of business ethics due to corporate scandals and unethical behavior of managers. Lal used the financial information of the company as the foundation to study the effect of ethical behavior on the performance of the company. Lal selected two companies to evaluate the different financial components that have an effect on the satisfaction and ethical interest of the company. Lal analyzed data collected from the companies’ official websites and annual reports. Lal considered the parameters of net profit margin, net worth, and return on equity, and net profit per employee. Lal limited the scope of the research to the secondary data of the two selected companies. Lal emphasized that organizational leaders influence the companies' performance by their own ethical behavior. Lal indicated that managers are responsible for promoting ethical decision making, trust, and confidence among employees. Lal found that the culture of workplace ethics has an effect on work engagement.

Mitonga-Monga, Flotman, and Cilliers (2016) examined the effect of ethical leadership on the relationship between the ethical culture of the workplace and the work engagement of employees in a railway transporting organization located in the Democratic Republic of the Congo. Mitonga-Monga et al. indicated that an employees' positive perception of ethical leadership induced feelings of trust, fairness, care, and respect by the employees. Mitonga-Monga et al. suggested that ethical leadership is the perception of promoting a positive and ethical work environment, which also has an effect on the engagement level of employees. Mitonga-Monga et al. recommended future research to examine the culture of workplace ethics and work-related outcomes, such as organizational commitment and work performance.

Snellman (2015) explored the ethical theories, instruments, and wrongdoings in public sector organizations. Snellman questioned the reasons for so much wrongdoing, the processes that managers use to minimize unethical behavior, and managers' efforts to promote ethical organizations. Snellman stated that there is an increase in unethical behavior, such as fraud, corruption, bribery, and conflicts of interest. Snellman claimed that there is an increase in the misuse of public authority and resources for public purposes, resulting in a lack of trust in governments, employees, and public authorities.

Snellman suggested that due to unethical behavior, there is a need for new effective instruments derived from ethical theories as controls for reducing wrongdoings and promoting ethical behavior in businesses.

Newman, Allen, and Miao (2015) examined the concept of ethical climate and subordinates' work behaviors. Newman et al. noted that in instances of subordinates' perceptions being at a low level of role clarity, there is also a weaker relationship between ethical leadership and subordinate behaviors. Newman et al. concluded that there is a significant positive link between ethical leadership and supportive behavior and a significant negative link between ethical leadership and deviant behavior. Newman et al. indicated that the inclusion of ethical training is vital for leaders of organizations as a necessary part of their leadership development programs. Newman et al. also considered essential for leaders of organizations to provide employees with clear guidelines of expected behavior. Newman et al. recommended that researchers should conduct further research to examine the possibility of bias and the limitation of the sample selection from one part of China.

Tschakert, Needles, and Holtzblatt (2016) explored a type of fraud that managers possibly commit on financial statements. Tschakert et al. indicated that the emphasis of this type of fraud is on the omission or misstatement of amounts in the financial statements. Tschakert et al. indicated that the main reason that managers commit fraud on financial statements is for personal gain through performance-based or stock-based compensation. Tschakert et al. stated that a significant percentage of fraud on financial statements occurs in the inappropriate recognition of revenue.

Tschakert et al. (2016) emphasized that employee fraud is one of the most common and frequent types of fraud with a lower amount of damage per incident. Employee fraud is an act against the organization that is the perpetrator's place of employment. Tschakert et al. explained that the internal audit function is a tool that internal auditors can use to analyze financial statements to recognize red flags in relation to fraud on financial statements. Auditors can identify the red flags by comparing account balances from the current year to the prior year balances of the expected results of the firms' forecasts and budgets. Auditors can also compare industry benchmarks to account balances and ratios. Tschakert et al. indicated that the challenge is understanding the reason a person commits fraud. The fraud triangle theory is an explanation for the *accidental* fraud of unethical behavior in which circumstances have a personal influence rather than an intent. Tschakert et al. also indicated that the fraud triangle theory is the explanation for *predator* fraud in which personality disorders or the opportunities to engage in fraud have an effect on the individuals committing the fraud. Tschakert et al. emphasized that managers analyzing red flags of the organization and putting them as part of the accounting information system (AIS) to monitor and set off alerts, are a great benefit to the organization in detecting the changes that employees make to the accounting software files.

Downe et al. (2016) conducted a qualitative study to explore the effect of the relationship of the actions of leaders with formal ethics in shaping conduct. Downe et al. indicated that managers of organizations that demonstrate good behavior consistently also have good leaders that model good conduct and act to preempt the escalation of problems. Downe et al. indicated that researchers are recognizing beneficial outcomes of ethical leadership, which include increasing employees' willingness to speak up to improve their organizations, job satisfaction of employees, and trust in organizational leaders by employees. Downe et al. suggested that the actions of leaders are vital in the promotion of good behavior and an ethical environment. The personal moral reputation of leaders is important in improving the effectiveness of ethics regulation in the organization. Downe et al. recommended future research of formal ethics regulation in shaping conduct due to the low number of research studies conducted on this topic.

Processes and Internal Controls to Promote Ethical Leadership

Melé, Rosanas, and Fontrodona (2017) explored ethical behavior in accounting and corporate reporting. Melé et al. emphasized the importance of integrating ethics and efficiency, along with motivating and empowering practitioners, into the accounting world to pursue justice, fairness, insight, and personal integrity. Melé et al. indicated that finance and accounting are vital functions in the management of any organization. Accounting systems are an important tool of gathering information for decision making. Melé et al. indicated that the emphasis has been on the role of ethics in the business world due to the well-known accounting scandals since the beginning of this century. While the financial industry is undergoing major transformations, there is much debate regarding the role of finance and if contributions are for the common good.

Melé et al. (2017) indicated that managers and business leaders should reflect and learn from the causes of the scandals and consider the appropriate role and ethical content of finance and accounting. There is a need to analyze the causes and consequences of ethical and unethical behavior in the financial and accounting practices. Melé et al. concluded that managers make many unethical decisions because of the pressure to achieve short-run results. Melé et al. indicated that effective managers using professionalism, drive, and behavior in establishing the right priorities toward the mission avoid unethical decisions. Melé et al. recommended future research for the integration of the technical components of accounting and finances into the business and human activity.

Georgescu (2016) explored the specialty literature and the evolution of the global economy. Georgescu suggested that the importance of accounting information is based upon the assurance that is given by the proper functioning of the organization's internal control. Georgescu indicated that to realize these concepts, there is a need for a well-organized accounting system in which the emphasis is on the theories, laws, principles, and accounting techniques available to users to help them make the proper decisions. Georgescu also indicated that there are significant differences in each country's accounting systems due to economic, political, cultural, and social factors.

Georgescu (2016) claimed that there are differences due to the various organizational users of financial statements in each country. This diversity is usually found in every facet of the financial reporting, which includes the structure and type of financial statements, number of elements, and methods used for evaluating the elements incorporated in the financial reporting. Georgescu also indicated that analyses of the financial statements in many other states of the world vary significantly from country to country. Georgescu stated that in France, the government has involvement in the structure and aspects of the financial reporting but, in other countries such as Great Britain or even the United States, there is minimal involvement. According to Georgescu, the professional accountant must possess knowledge of the accounting laws to face ongoing challenges. Georgescu expressed the need for the professional accountant to respect the professional rules, ethical standards, and international financial reporting standards.

Batae (2018) found that many organizations are challenged with ethical issues. Batae expressed that organizations must meet compliance requirements for the business to operate. The various business structures, diverse operations, and ever-changing regulations have increased the ethical and compliance challenges that businesses face. As a form of protection, many companies are assessing probable risks including fraud. Some organizations do not believe that fraud can occur, but in reality, fraud is committed by some of the most trusted employees.

Batae (2018) indicated that there are five different types of ethical threats: intimidation, self-interest, advocacy, familiarity, and self-review. Batae stated that actions to remove an ethical threat is considered an ethical safeguard. Batae suggested that ethical leadership leads to corporate governance because of the morals and traits that leaders possess; however, there will always be inherent risks of fraud. Batae concluded that safeguards for the work environment include implementing strong internal controls, disciplinary procedures, organizational code of ethics, establishing up-to-date policies, and developing procedures.

Cannon, Hughey, Frederiksen, and Smith (2015) explored the concept of ethical erosion. Cannon et al. indicated that Enron leaders appearing in the news for unethical behavior caused damages to the entire organization and created warning flags in the business world. Cannon et al. indicated that Enron had been named one of the 100 best companies in America to work. Cannon et al. suggested that the many actions and unethical decisions made by the executives led to the destruction of the company. Cannon et al. believed that the downfall of the company was not the executives' intentions.

Cannon et al. (2015) indicated that ethical erosion is a phenomenon that can occur without a person being aware that it is occurring. The ethical erosion behavior can be implicit, which means it transpires without intent or knowledge, or explicit and occurs with intent and knowledge. Cannon et al. indicated that implicit behavior is in support of a culture of ethical behavior, which includes the decisions and actions of executives; whereas, the ethical infrastructure is in support of ethical behavior based on policies and procedures. Cannon et al. expressed that executives must build strong ethical corporations by focusing on both the implicit and explicit components. Cannon et al. indicated that there are five disciplines that are to be incorporated in an ethical culture, which are voice, respect, mindfulness, tenacity, and legacy. Cannon et al. stated that a strong ethical culture requires a leader that has a strong passion for the mission of the organization and conveys commitment to the staff, consumers, and community.

Ahmed (2015) suggested that organization leaders should create a working environment in which employees are able to behave ethically in all aspects related to the business activities. Ahmed stated that leaders are to regard ethics as the platform for efficiency, productivity, profitability, and the legal safety of the business. Ahmed also claimed that the leaders' ethical practices can provide new opportunities and relationships with stakeholders; therefore, leaders need to focus on the principles of business ethics to promote successful and sustainable businesses.

Lilly, Duffy, and Wipawayangkool (2016) examined the relationship between ethical climate and organizational trust to test if there was a change in the relationship due to an increase in business performance. Lilly et al. indicated that a positive relationship exists between organizational trust and three ethical climate types, which are the law, rules, and care. Lilly et al. indicated that there is a possibility that the leaders' successful business performance can alter ethical climate and trust within an organization. Although this answer may be controversial, it is dependent upon a central definition of ethics and trust that is standard. Lilly et al. stated that organizational leaders may reward employees for unethical behavior, which results in the motivation of the employees to continue the unethical behavior. Enron and Equity Funding corporations are some examples of organizations where employees acted unethically to create financial transactions that falsely inflated profits. Enron managers engaged in unethical behavior due to leaders rewarding employees for increased organizational performance. Lilly et al. indicated that the public's perception of business is skewed due to financial scandals that may be challenging to overcome. Lilly et al. claimed that employees did not relate ethical climate to individual employee performance; however, employees did relate ethical climate to organizational performance. Lilly et al. recommended future research to establish solid performance measures and to examine whether ethical climate continues to have a different effect on organizational performance and individual employee performance.

Donelson, Ege, and McInnis (2017) examined the increased risk of financial reporting fraud due to weak internal controls. Donelson et al. indicated that the answer remains controversial of whether the strength of the internal control influences fraud risk. Donelson et al. claimed that no evidence is available that links control strength to fraud risk. Donelson et al. indicated that the issuance of an adverse internal control opinion is a *red flag* that indicates a higher probability that managers are committing fraud.

Donelson et al. (2017) noted that their findings have implications for the financial statement users, accounting scholars, policymakers, and auditors. Donelson et al. indicated that weaknesses in internal controls can result in the occurrence of fraud. Donelson et al. supported Auditing Standard No. 5 in that certain entity-level controls minimize material fraud misstatements.

Ghasemi, Mohamad, Karami, Bajuri, and Asgharizade (2016) examined the link between market competition and the management accounting system's (MAS) characteristics. Ghasemi et al. used the SmartPLS to analyze the data. Ghasemi et al. concluded that the scope, timeliness, and aggregation of information that MAS provides is very important in helping managers to improve their performance in the situation of high competition. Ghasemi et al. proposed that if managers use more nonfinancial, external, timely, and future information provided by MAS, managers will have a greater opportunity to meet their performance goals. Ghasemi et al. contributed to the organizational change literature by providing insight of the relationships between competition, MAS characteristics, and managerial performance of financial organizations. Ghasemi et al. recommended future research to examine the influence of other factors on MAS, such as organizational culture and firm size.

Youssef and Rachid (2015) explored the values and theories of ethics. Youssef and Rachid identified several theories, principles, and values used by International Financial Reporting Standards (IFRS). Youssef and Rachid indicated that researchers developed the study of ethics in accounting from previous research in other aspects. Youssef and Rachid also indicated that the emphasis on the ethics of accounting, in several of the studies, was on the ethical behaviors and perception of future accounting professionals.

Youssef and Rachid (2015) used content analysis as the research method to approach the problem. Youssef and Rachid gathered the information on the core ethical values and theories of ethics from more than 30 articles regarding ethics. Youssef and Rachid reviewed the textual records of the writings and created a list of values and theories that theorists of ethics used and cited. Youssef and Rachid defined transparency as the passing through of light, which is a broadly used approach. Youssef and Rachid explained that in finance, transparency is the goal of the managers in the organization. Youssef and Rachid indicated that the use of transparency in business ethics is for the production of quality information. Youssef and Rachid stated that honesty and respect are important virtues for one to possess when implementing rules and laws. Youssef and Rachid stated that accountants are required to adopt specific ethical values, such as being honest, prudent, responsible, respectful, tolerant, and independent. Youssef and Rachid claimed that without honesty, the implementation of laws and regulations is ineffective and inefficient for the person that is responsible for implementing the regulations.

Guinea (2016) conducted a study to identify and potentially solve the problems that are related to presenting a set of creative accounting techniques that are practical to implement. Guinea identified specific creative accounting techniques that border between being legal and fraudulent. Guinea wanted to focus on the quality of the accounting information and heighten interest of the practical techniques protecting against the risks that could occur from a creative managerial accounting system.

According to Guinea (2016), the main goal of managerial accounting is to search for the absolute truth, which means obtaining the most accurate cost. Guinea indicated that managerial accounting has begun to evolve, which is helping to fix deficiencies such as determining a specific cost. Guinea stated that the idea of different costs for various purposes has increased concerns to define the relative decision models. Guinea explained that the success of the operation of managerial accounting techniques depends on the reliability of the decision and the implementation of the decision. According to Guinea, the idea of creative accounting is complex, but researchers are finding that costs arise from the conflict of interest, incompetence of managers, uncertainty, and insufficient national accounting rules. Guinea explained that the identified creative accounting techniques are sophisticated, yet questionable of legality or creativity.

Nygaard, Biong, Silkoset, and Kidwell (2017) examined the concept of business ethics and noted that individuals should not separate business ethics from its preceding events. Nygaard et al. indicated that the use of forceful power to accomplish some objectives may be counterproductive for the organization. Nygaard et al. claimed that power is the capacity to affect another's behavior. Nygaard et al. also expressed that power is one of the important managerial tools that managers use to influence, promote, and establish business efficiency. Nygaard et al. indicated that managers can use power to influence and change ethical values.

According to Nygaard et al.'s (2017) study of a large grocery store chain in Europe, Asia, and North America, a good leader that leads by example also influences employees. Nygaard et al. also indicated that leadership by role model is the best method to establish and maintain ethical values, rather than demanding certain behavior. Nygaard et al. suggested that the establishment of positive role models is vital to the ethical values of the organization. Nygaard et al. claimed that organizational researchers underestimate leadership in the form of role models. Nygaard et al. concluded that the power of a role model, which is known as referent power, is the best method for the establishment of ethical values, performance, and commitment.

Bischak and Woiceshyn (2016) examined the concept of ethical leadership practice and the virtues that influence ethical leadership. Bischak and Woiceshyn examined the actions of a leader and identified six vital virtues that make up the core of the ethical leadership model, which are rationality, pride, independence, integrity, justice, and honesty. Bischak and Woiceshyn indicated that leadership has a significant positive or negative influence on organizational outcomes. Bischak and Woiceshyn associated the meaning of ethical leadership to the outdoor challenge of rock climbing. Bischak and Woiceshyn stated that to successfully lead the rock-climb activity, the leader will need to prepare and plan for the proposed climbing route and choose a variety of goals to achieve. The leader must possess skills in human resource management, which includes choosing the right teammate. Bischak and Woiceshyn stated that having the ability to forecast the changes in weather conditions and the time to complete the project is very important in project management. Bischak and Woiceshyn concluded that the success of rock-climbing, in comparison to the success of a business project, is dependent on the quality of the team. Bischak and Woiceshyn indicated that an individual that does the climbing out of a sense of obligation to others is not motivated to continue learning. Bischak and Woiceshyn recommended further research of ethical and virtuous leadership with additional data.

Verschoor (2014) explored the concept of fraud, and indicated that the average organization loses 5% of its annual revenues due to fraud. The average loss for small businesses is around $154,000. Verschoor stated that the responsibility that an individual possesses correlates with the losses that are the result of an employee's corrupt behavior. The average loss by owners or executives is $500,000; however, the average loss for other employees is $75,000.

Verschoor (2014) stated that smaller businesses have different types of fraud than the larger businesses. Verschoor claimed that one of the likely causes of fraud is having less internal control measures. Verschoor indicated that the most common method that businesses use for fraud detection is through the inside information of whistleblowers, which has twice the fraud detection rate than any other detection method. Verschoor emphasized that managers implementing other fraud controls can reduce cost and promote earlier fraud discovery. Verschoor claimed that some controls at a cheaper price may be more appealing to smaller businesses to prevent fraud. Verschoor suggested that these controls include implementing an anti-fraud policy; providing anti-fraud training; and improving the management review of transactions, processes, and account data. Verschoor concluded that fraud is a problem for companies around the world. Verschoor expressed that some weaknesses researchers identify may be an emphasis on strategies that managers can implement into their fraud protection practices.

Madhani (2017) explored the various roles of a corporate board from different corporate governance theories. Madhani defined corporate governance as a governing control of the behavior of managers. Madhani stated that corporate governance is an internal control instrument that is in place to protect the shareholders' interests and other stakeholders, such as the customers, suppliers, and employees. Madhani explained that corporate governance is for the resolution of organizational conflicts that occur between the stakeholders and the shareholders. Madhani indicated that the result of corporate governance practice is a board of directors accountable for protecting the interests of the investors.

Seay (2015) explored the definition of sustainability through the view of ethical theory, accountability theory, and stakeholder theory. Seay also explored accounting and auditing functions related to sustainability measurement and reporting. Seay explained that accounting is one of the checks and balances for business activity. Seay stated that sustainability is a deeper concept than just environmental responsibility. Seay indicated that when looking at corporate sustainability, individuals must consider all business activities and stakeholders that are important to create value and provide for long-term survival and viability. Seay claimed that the emphasis of corporate sustainability is on the responsibilities to company employees, suppliers, customers, environment, and the community. Seay expressed that corporate sustainability is a concept about ethical and responsible corporate conduct. Seay stated that corporate sustainability is the accountability of corporate managers held to all stakeholders (principals) for their behavior. Seay indicated that corporate sustainability is the accountability of managers' corporate performance regarding social, economic, and environmental demands. Seay concluded that corporate sustainability is based upon ethical models, sustainable development, corporate social responsibility theory, accountability theory, and stakeholder theory, which are based upon ethical models.

Marcus, MacDonald, and Sulsky (2015) examined the influence of individuals' economic, environmental, and social values to engage in corporate actions of sustainability. Marcus et al. (2015) indicated that business executives, management scholars, and politicians are all seeking ways to promote sustainable corporate practice. Marcus et al. examined the influence of personal values in promoting or wrecking corporate sustainability outcomes. Marcus et al. assessed the relationship between different types of personal values and different types of corporate actions to sustainability.

Marcus et al. (2015) indicated that the same individuals that are likely to compromise corporate social and environmental performance are apt to engage in behaviors that undermine the financial honesty of the organization. Marcus et al.

indicated that a corporate culture of individuals with very strong economic values could possibly increase the financial risk of the firm. Marcus et al. also indicated that the promotion of other social and environmental values could reduce the financial risk and increase the sustainability side benefits. Marcus et al. concluded that peoples' core values do have influence on the types of corporate actions that they support. Marcus et al. also suggested that the greater an individual's environmental or social values, the greater the likelihood that individual is apt to adopt to beneficial, social, and environmental organizational actions. Marcus et al. recommended future research to gain insight into the influence of gender and values on managers' corporate actions.

Rodgers, Söderbom, and Guiral (2015) explored the concept of ethical behavior and contributed to the existing literature by executing an ethical decision-making model. Rogers et al. explained that leaders use the ethical decision-making model to better understand the connection between ethical positions and internal control systems to handle fraudulent circumstances. Rodgers et al. suggested that six ethical processes minimized fraudulent behavior. Rodgers et al. demonstrated that managers can use ethical processes to improve behavior by handling situations of conflicts of interest, supplemental employment, and acceptance of gifts from vendors. Rodgers et al. indicated that managers can use annual reviews for employees to respond whether they acknowledge understanding the ethical processes that employees are to perform in their daily tasks. Rodgers et al. stated that employees can use ethical processes to detect misconduct and minimize the consequences of wrongdoings by training employees to become aware of the behavior that is acceptable or unacceptable. Rodgers et al. also stated that managers can use ethical processes to know what to do when they encounter inappropriate behavior.

Rodgers et al. (2015) indicated that if a written code of conduct does not exist, managers may communicate ethical processes orally in staff meetings or by example when dealing with the daily activities of the business. Rodgers et al. also indicated that managers can use ethical processes for guidance on situations and the frequency of intervention that managers may need. Rodgers et al. claimed that managers can document and explain their intervention as related to a specific ethical position. Rodgers et al. stated that managers can document deviations from developed ethical processes. Rodgers et al.'s study did have some limitations by having no discussion of the influence of education on the risk of fraud in an organization. Rodgers et al. recommended further research to explore effective methods of communicating ethical decision making.

The collapse of Enron in 2001 is remembered as one of the largest corporate losses in which employees lost their jobs, and the company suffered a loss of $60 billion (van Driel, 2019). In 2002, the collapse of WorldCom became the biggest corporate fall in the United States (van Driel, 2019). Some researchers believe that the weaknesses in internal controls and incentive structure were major contributing factors to Enron's downfall (van Driel, 2019). van Driel (2019) noted that there are various types of fraud, but many fall into two general categories: misappropriation of assets, and misleading financial information. The challenges associated with business structures have provided opportunities in the nineteenth and twentieth centuries for committing and concealing fraud. According to the public's view, the fraudulent acts were the result of the greedy parties involved, and were not related to their individual traits. On the contrary, some authors believe that individual traits, such as values of integrity, responsibility, and duty play a major role in the event of fraudulent scandals. van Driel concluded that innovation and extreme competitive pressures were the motivation for the questionable business practices in place. Enron’s governance and internal controls demonstrated to be insufficient for preventing fraud.

Hendri and Amelia (2019) defined internal control as the essential processes that leaders and employees perform on a daily basis to confidently achieve organizational goals efficiently and effectively. Hendri and Amelia indicated that internal controls include policies and procedures of the organization that are used to achieve objectives, provide reliable financial statements, and assure compliance with appropriate regulations and laws. Hendri and Amelia suggested that organizations can possess good internal control systems but have a problem in implementing the control system effectively, which can cause the financial statements to be incorrect. Hendri and Amelia concluded that the internal control influences the quality of financial statements and makes the accounting information system stronger.

Desmet, Hoogervorst, and Van Dijke (2015) conducted a quantitative study and argued that a vital element of the external environment in which leaders and organizations operate may indicate the reasons that leaders fail to discipline ethical transgressions of employees. Desmet et al. suggested that in the presence of strong market competition, leaders will be stimulated to have an unbiased perspective of whether the transgression was instrumental to the company. Desmet et al. posited that the context influences the type of frame, either instrumental or ethical, through which an individual perceives the decision. Desmet et al. identified this as the signaling stage in which the stimulated decision determines the decision-making process and outcome, also known as processing stage. Desmet et. al suggested future research to show whether leaders' level of moral identity will take ethical considerations into account when situations of a strong market steer them towards considering instrumental concerns.

Peters and Maniam (2016) examined the concept of corporate fraud and indicated that it affects many types of businesses. Employee theft is one form of fraud that can affect the reputation and financial results of businesses (Peters & Maniam, 2016). Peters and Maniam explained that the organizations' business culture, business environment, and ethical strategies have a role in whether employees have an opportunity to act fraudulently; therefore, managers can help to decrease fraudulent behavior by improving their policies, strategies, and corporate structure. Peters and Maniam indicated that employee theft can occur in many different ways and at any employee level of the business. Some examples of these unethical acts include employees recording hours for time that they did not work, taking merchandise without approval, or misappropriating funds by depositing them into their own personal accounts rather than the businesses' accounts (Peters & Maniam, 2016).

According to Peters and Maniam (2016), there are other kinds of fraud that affect businesses, such as database breaches and identity theft. An example of this type of fraud was the Target database breach in which many credit card holders were affected. Although it is challenging to predict the amount of financial loss for fraudulent behavior in a business per year, it is vital that businesses have the appropriate internal controls, practices, and policies in place to minimize fraudulent activity (Peters & Maniam, 2016). According to a survey conducted by the Association of Certified Fraud Examiners, 75% of employees have stolen items from their employers, the median case incident cost $175,000 for fraudulent acts, and employee theft has caused 33% of bankruptcies (Association of Certified Fraud Examiners, 2015). Peters and Maniam emphasized that the leadership structure and work environment are very important in minimizing unethical behavior. Peters and Maniam also suggested that internal controls, separation of duties, audits, and background checks are methods to minimize fraudulent activity.

Transition

In Section 1, I presented the foundation of the study, background of the problem, and the problem statement. I provided the purpose statement, nature of the study, research question, and interview questions of this study. I also provided the conceptual framework; operational definitions; and assumptions, limitations, and delimitations. In Section 1, I also explained the significance of the study and implications for social change and presented the review of the professional and academic literature on the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud.

In Section 2, I define the role of the researcher, participants, and reiterate the purpose statement. I include the research method, research design, population and sampling, along with ethical research. In addition, I present in Section 2 the data collection instruments and techniques, data organization techniques, and data analysis. I conclude Section 2 with the reliability and validity of the study. In Section 3, I will provide the presentation of the findings, application to professional practice, implications for social change, recommendations for action and future research consideration of my experience as a researcher, and the conclusion.

Section 2: The Project

Purpose Statement

The purpose of this qualitative, multicase study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. The target population consisted of three leaders from three nonprofit organizations, located in Florence, South Carolina, with successful strategies in preventing losses from employee financial fraud. The implications for positive social change include the potential to provide business leaders with the strategies to prevent financial losses from employee financial fraud. Business leaders achieving financial success could provide increased employment opportunities for community members, allowing local communities to prosper.

Role of the Researcher

The role of the researcher involves the collection of data from a group of study participants. A researcher must establish the research problem, create the research questions, select the appropriate research method, collect and analyze data, and report the results (Venselaar & Wamelink, 2017). As the researcher, my role included participation in every aspect of this study, such as defining concepts, selecting the appropriate research method, selecting participants, collecting data from multiple sources, analyzing data collected, developing codes and themes, and writing the results. I aimed to gain an understanding of strategies leaders of nonprofit organizations use to detect and prevent employee financial fraud.

According to Yin (2018), a researcher is the main research instrument deeply intertwined into the settings of a qualitative study, and has the responsibility to define concepts, select the appropriate research method, select participants, collect data from multiple sources, analyze data collected, and write the results. As the researcher, I was the main research instrument for data collection and oversaw all aspects of the study. I used open-ended questions that encourage detailed responses while seeking associations during interviews, as suggested by Gauche, de Beer, and Brink (2017). I used additional sources of data, as suggested by Yin, including organizational documents containing information relevant to the study. I communicated with professional leaders of nonprofit organizations to develop a recommendation list of experienced candidates from which I selectively chose participants. I conducted and recorded interviews, transcribed the audio responses, analyzed the raw data for emergent themes, and ensured data saturation using the finalized version of this study's design and interview questions.

Yin (2018) proposed that case study research is an essential method for researchers to contemplate, but it is the skill and expertise of the researcher that determines the quality, relevance, and value of the research. My professional background, consisting of more than 20 years in the area of accounting, allowed me to manage the financial tasks of various organizations and understand the internal controls and segregation of duties needed to protect against fraud. My role as a finance director of a nonprofit organization for 14 years provided me the opportunity to prepare financial statements and oversee the organizational internal and external audits and gave me a deeper understanding of strategies that nonprofit organizations can use to prevent fraud.

Gaus (2017) suggested that researchers must understand the meaning of integrity and ethics in regards to their studies. The Belmont Report includes ethical principles that researchers are to follow when conducting research with humans (U.S. Department of Health and Human Services, 1979). Researchers have a duty to conduct their research in an ethical manner (Thorpe et al., 2018), and in compliance with the regulations provided by The Belmont Report protocol (U.S. Department of Health and Human Services, 1979). The three basic ethical principles of research contained in the Belmont Report regarding studies that involve humans are respect, beneficence, and justice (U.S. Department of Health and Human Services, 1979). The *respect for persons* principle supports participants' autonomy and, in the event of participants with diminished autonomy, the researchers must act accordingly (U.S. Department of Health and Human Services, 1979). In reference to the *beneficence* principle, researchers seek to maximize benefits with no resulting harm to the participants (U.S. Department of Health and Human Services, 1979). Researchers are required to treat participants fairly when applying the *justice* principle in regards to possible burdens and benefits brought about by the research (U.S. Department of Health and Human Services, 1979).

The Belmont Report has a summary of the foundational ethical principles. This summary of principles addresses the requirement of informed consent, assessment of benefits and risks, and selection of subjects. The noteworthy section on informed consent pertains to the disclosure of information, awareness of such information, and voluntary nature of participation (U.S. Department of Health and Human Services, 1979). My responsibility was to adhere to (a) the Belmont Report's protocol of ethical principles, (b) the participating organizations' requirements, and (c) the participating organizations' additional ethical requirements. I did not start this research study until receiving approval from the Institutional Review Board (IRB). My duty to explain the *informed consent* principle to participants and obtain participants' signed consent forms before conducting my research was one way of ensuring the ethicality of the research study. I treated all participants equally, reminded participants of the voluntary status of their participation, allowed participants to exit at any stage of the study, and safeguarded confidentiality of information. Gaus (2017) suggested that, as the researcher becomes more self-aware, the research findings become more fruitful. Researchers must have a high standard of care for their participants (Hattix, 2018).

According to Fabbri, Lai, Grundy, and Bero (2018), fully eliminating bias during the research process is a challenge because researchers may opt to favor evidence that supports their beliefs. Confirmation bias happens when researchers acknowledge evidence that promotes their essential beliefs over evidence that is adverse to their essential beliefs (Redman, 2017). To eliminate bias, researchers incorporate member checking in their research design (Restall et al., 2018). The use of member checking allows participants to evaluate the researcher's interpretation of the participant's responses (Birt, Scott, Cavers, Campbell, & Walter, 2016). I interpreted participants' answers to interview questions, gave this interpretation back to the participants, and asked participants to verify that my interpretation of their answers was accurate. I provided the reader with information to assess the reliability and validity of the study by providing a detailed description of the assumptions and limitations regarding the study.

An interview protocol consists of information, such as interview techniques, a script of the opening and the closing words, cues for attaining approval from participants, and interview questions and prompts (Castillo-Montoya, 2016). Researchers use the interview protocol as a guide to conduct the research study in the correct order, ensuring they share the same information with all participants (Gauche et al., 2017). I used an interview protocol (see Appendix A) to support and direct me through the interview process that included interview questions (see Appendix B), ensuring that I shared the same information with all participants.

Participants

Researchers should select appropriate participants before starting the data collection process (Njuangang, Liyanage, & Akintoye, 2017). Researchers establish the eligibility criteria for study participants (Maramwidze-Merrison, 2016) to certify alignment with the overarching research question. Researchers experience challenges in the research process, including finding suitable participating organizations, gaining access to leaders of those participating organizations, and convincing those leaders to participate in the study (Yin, 2018). Researchers establish participant eligibility criteria, which are constraints such as experience and age, and use these criteria to select participants (Martínez-Mesa, González-Chica, Duquia, Bonamigo, & Bastos, 2016). Participants meet the established eligibility criteria if they possess successful experience and knowledge related to the phenomenon under investigation (Marshall & Rossman, 2016; Yin, 2018).

To meet eligibility criteria for this study, participants had to be at least 18 years of age and possess at least 5 years of successful experience in using strategies to prevent losses from employee financial fraud. Participants agreed to the study guidelines to participate in interviews and follow-up meetings and provide company information for analysis such as company policies, financial statements, and other information and documentation important to the study. I used purposive sampling to select three participants from three South Carolina nonprofit organizations.

In conducting research, it is difficult to obtain access to participants and organizations (Amundsen, Msoroka, & Findsen, 2017). Wrench (2018) recommended researchers work with key organizational personnel, gaining a better understanding of the target population, and using more recruitment tools to gain access to potential participants. An appropriate strategy for this study was interviewing key employees of the potential participating organization because I discussed the purpose of my study with the executive staff of the potential participating organization.

It is important that researchers obtain the participants' acceptance and trust (Kerasidou, 2017). Researchers build relationships with participants to obtain rich data (Fusch, Fusch, & Ness, 2018). Communicating with participants regularly is a strategy for building a bond with participants and gaining participants' trust (Guenther, Osborne, Arnott, & McRae-Williams, 2017). I communicated with participants on a routine basis to gain their trust and consent, which supported me in the gathering of rich data.

Researchers select a suitable research design to assure alignment between the participants and the overarching research question (Yin, 2018). The eligibility criteria for participants should result in participants having experience and knowledge regarding the phenomenon being studied, which allows the researcher to answer the overarching research question (Martínez-Mesa et al., 2016). Choosing qualified participants possessing knowledge and experience regarding the phenomenon being investigated supported me in connecting participants with the overarching research question.

Research Method and Design

Research Method

According to Gauche et al. (2017), qualitative, quantitative, and mixed methods are the three types of methods that researchers use to conduct research. Saunders et al. (2015) expressed that researchers use the qualitative method to explore phenomena using socially constructed meanings. Researchers use the qualitative research method to explore the *how, why,* and *what* of a phenomenon in its natural setting (Saxena, 2017; Yin, 2018). I used the qualitative method to explore the how, why, and what of the phenomenon under investigation, which is the prevention of losses from employee financial fraud.

According to Almalki (2016), the researcher applies measuring techniques in a quantitative study to examine the relationship between different variables. The researcher implements controls to ensure the validity of the study and measuring techniques to analyze the data (Saunders et al., 2015). In a quantitative study, the researcher creates clear questions and tests hypotheses (Duta & Duta, 2017; Saunders et al., 2015). The quantitative method was not appropriate for this study because I did not analyze relationships among variables using statistical procedures to test hypotheses. Researchers combine the qualitative and quantitative methods to conduct a mixed-methods study (Makrakis & Kostoulos-Makrakis, 2016). Researchers use inductive and deductive reasoning in the mixed-method study (Yin, 2018). I did not choose the mixed method because I did not test any hypotheses or evaluate numerical data.

Research Design

Narrative, phenomenological, ethnographic, and case studies are qualitative research designs that I considered for my study. The narrative design includes the experiences of participants through their personal stories delivered in a free and informative manner that is usually unstructured and successional (Saunders et al., 2015). Because my emphasis was not on the personal experiences of participants obtained through their personal stories, I did not use the narrative research design. Researchers focus on the participants' lived experiences to understanding meanings when using the phenomenological design (van Manen, 2017). Researchers typically use interviews as the only data collection source (Yin, 2018). However, I collected data from several sources in this case study. My emphasis was not on studying the lived experiences of participants; therefore, the phenomenological design was not an appropriate design for this study. According to Marshall and Rossman (2016), researchers use the ethnography design to explore the norms and trends of a particular group in a culture. Because my emphasis was not on studying and understanding the culture of a particular group, I did not use the ethnographic research design. Researchers use the case study design to focus on business-related issues and practices found in the real world (Saunders et al., 2015). Manley, Martin, Jackson, and Wright (2016) suggested that researchers use the case study design to gather information from different sources and explore the phenomenon in detail. Researchers also use the case study design to triangulate data by using open-ended questions, semistructured interviews, and organizational documents to gain a deeper understanding of the phenomenon under investigation (Yin, 2018). Because it was my goal to explore the why, what, and how of a phenomenon, which is the prevention of losses from employee financial fraud, I used the case study design.

Population and Sampling

It is important for researchers to select the appropriate sampling method to enhance the validity of a study (Lucas, 2017). According to Bengtsson (2016), researchers improve the trustworthiness of a study by selecting the most suitable sampling method. Researchers are able to gain insight into a phenomenon by using purposive sampling as a way to reduce participant pools and ensure that participants meet the same set of established criteria (Yin, 2018). Purposive sampling is a process in which researchers select participants meeting specific eligibility criteria (Yin, 2018). I selected purposive sampling for this study to identify only those potential participants meeting the criteria I established to qualify for participation.

I collected data from three participants of nonprofit organizations located in South Carolina. These participants had to possess successful experience and expertise in using strategies to prevent losses from employee financial fraud. Researchers determine the sample size based upon the type of research design, richness and thickness of data needed, and the necessity to generalize the findings to the larger population (Blaikie, 2018). Researchers may gain a greater understanding by sampling a larger population and generalizing to at least one case study (Boddy, 2016). Malterud, Siersma, and Guassora (2016) suggested that a case study requires fewer participants, but they must possess successful experience in the phenomenon under investigation. Blaikie (2018) stated that participants must be experienced on the topic to make meaningful contributions to the study. Yin (2018) explained that in case study research, it is challenging to determine the appropriate sample size, and suggested that two or three duplicates are sufficient. I did reach data saturation with three participants and, therefore, did not have to conduct additional interviews.

Researchers achieve data saturation when participants are unable to contribute any new information to the researcher (Fusch & Ness, 2015). According to Braun and Clarke (2019), data saturation is the point researchers reach in which no new meaningful themes emerge from data analyses. In qualitative research, researchers use semistructured interviews and organizational documents to obtain rich and thick data (Fusch & Ness, 2015), contributing to the achievement of data saturation (Braun & Clarke, 2019). Mayring (2007) noted that once researchers achieve data saturation, the results must be generalized to some degree. I gained deep insights from study participants by conducting semistructured interviews with open-ended questions, which contributed to data saturation. I called or sent invitation emails along with consent forms to qualified candidates to obtain their approval for participation.

It is critical for researchers to ensure that the interview location is beneficial for open communication and convenient for participants, which helps to lessen their anxiety and promote a positive environment to build relationships (Dawson, Hartwig, Brimbal, &

Denisenkov, 2017). Researchers suggest making participants feel comfortable by conducting interviews that are quiet and private (DeJonckheere & Vaughn, 2019). I selected a location and environment that was appropriate for conducting interviews with open communication. I coordinated the interviews that were accomodating to the participants' schedules. I informed the study participants that the interviews would take around an hour of their time. I also prepared to meet at the participants' offices so they felt comfortable and free to communicate with me as the researcher.

Ethical Research

An important step of every study is for the researcher to gain informed consent from participants (Sanjari, Bahramnezhad, Fomani, Shoghi, & Cheraghi, 2014). All participants signed the required informed consent form before they could participate in this study. If the participants had any questions, the informed consent form included the nature of this study, participants' expectations, participants' potential risks and benefits, and my contact information. Giving gifts or any kind of benefits to participants may introduce bias into a study (Steinmeier, 2016). I did not give study participants any gifts or benefits to avoid introducing bias into this study. As the researcher, I notified the participants that their participation was solely voluntary.

I addressed that participation was at-will by the participants in this study, which is recommended by some scholars (Wiles, Coffey, Robinson, & Heath, 2012). The significance of every study is maintaining the confidentiality and privacy of all participants (Hansen, Mena, & Skipworth, 2017). In my discussion of the main purpose of this study, I informed study participants that their participation was completely voluntary and that they could withdraw from participation at any time without giving a reason and with no negative consequences by informing me either in writing or orally.

To meet eligibility criteria for this study, participants were at least 18 years of age and possessed at least 5 years of successful experience in using strategies to prevent losses from employee financial fraud. Participants agreed to the study guidelines to participate in interviews, follow up meetings, and provide company information for analysis such as company policies, financial statements, and other information and documentation important to the study. Only documents that participants have the authority to share were requested. I used purposive sampling to select three participants from three South Carolina nonprofit organizations.

I did not begin the interview process until I received permission from Walden University's IRB. I adhered to Walden University’s IRB guidelines by focusing on participants’ safety and informed consent while conducting every interview. The Walden University’s IRB approval number for this study is 12-09-19-0668492.

The informed consent process has two steps. The first step is to develop the informed consent form with the required elements. The second step is to give participants the informed consent form and ask them to read, sign, and return it (Sreenivasan, 2003). The informed consent form for this study contains basic, standard English to ensure that participants with various educational levels were able to understand the contents of the informed consent form, including the interview questions, as recommended by Thomson (2013). I provided a copy of the informed consent form to individuals meeting the participation criteria and thoroughly reviewed each informed consent form item. The participant kept a copy of the consent form. Because not all participants will read the informed consent form, researchers must review each item contained in the informed consent form with the participants (Thomson, 2013).

I used disguised names for study participants and their affiliated organizations to ensure their privacy and confidentiality. The study did not include any additional components that led to an incidental disclosure of study participants or organizations. The researcher should provide reliable, ethical, and relevant results while assuring the least possible impact on the participants (Hansen et al., 2017). I collected and saved all the information and documents used in this study on my password-protected flash drive. As required by Walden University, I will store all visible documents inside a locked cabinet or safe at my home for 5 years. In compliance of Walden University's IRB guidelines, I will destroy all physical documents and electronic data used in the research study after 5 years, as recommended by several researchers (Silverman, 2016).

Data Collection Instruments

Lincoln and Guba (1985) suggested that the researcher is the primary research instrument. As Yin (2018) suggested, the researcher becomes the main research instrument in qualitative research because the researcher collects rich and thick data by conducting interviews, making observations, and analyzing documents (Fusch & Ness, 2015; Voelkel & Henehan, 2016).

In qualitative research, researchers commonly use semistructured interviews consisting of open-ended questions (DeJonckheere & Vaughn, 2019). Researchers gain an enhanced understanding of the phenomenon under investigation when interviewing participants meeting the required criteria for the study (Sweeney & Goldblatt, 2016). Some of the different types of interviews accessible to researchers for collecting data consist of structured, semistructured, and unstructured interviews (Watts et al., 2017). Researchers are able to ask follow-up interview questions leading to an improved interpretation of participants' answers to interview questions when conducting semistructured interviews (DeJonckheere & Vaughn, 2019).

As the primary research instrument in this study, I collected data from participants purposively selected from South Carolinian nonprofit organizations by using semistructured interviews with open-ended questions to gain an improved understanding of the phenomenon under investigation. I conducted semistructured interviews and asked participants follow-up questions to clarify my interpretations of participants' answers to collect rich and thick data.

Because I was the primary research instrument, I directed the interview processes by using an interview protocol (see Appendix A) to collect data through conducting, recording, and transcribing semistructured, face-to-face interviews. I followed the interview protocol and asked participants the same interview questions (see Appendix B). I gave participants the opportunity to provide any closing thoughts on the strategies that they have used to prevent losses from employee financial fraud. The researchers' request for closing thoughts allow participants the chance to discuss any insights regarding the phenomenon under investigation that may not be evident from the interviews (Arsel, 2017).

Qualitative researchers, as the primary research instrument, have a vital role in the understanding of the details regarding qualitative research (Yin, 2018). Arsel (2017) and Fusch and Ness (2015) suggested that, as the research instrument, qualitative researchers can obtain interviewing skills that will aid in the collection of rich and thick data. Consequently, the researcher brings bias to a research study (Haven & Van Grootel, 2019). Researchers acknowledge this bias and try to reduce it by practicing reflexivity (Park & Park, 2016).

Researchers also use another data collection technique known as document analysis (Jaspersen & Stein, 2019; Yin, 2018). When analyzing documents, researchers find qualitative data in different formats, which are textual, graphical, or pictorial (Williams & Moser, 2019). Researchers can explore the phenomenon under study at a deeper level when using document analysis along with interviewing (van den Berg & Struwig, 2017). Researchers also perform data triangulation by conducting semistructured interviews and analyzing documents to improve the quality and rigor of a research study (Jaspersen & Stein, 2019). Researchers are able to analyze different documents directly related to the phenomenon under investigation (van den Berg & Struwig, 2017; Yin, 2018). Documents may also be supportive in providing definitive information regarding the case study such as the details of events (Yin, 2018). I analyzed organizational documents related to the prevention of losses from employee financial fraud.

Researchers use member checking to give participants an opportunity to confirm, correct, clarify, or add certain aspects of the data collected, which increases the integrity of the study (Liao & Hitchcock, 2018). The researcher requests participants to confirm research interpretations of their answers to interview questions (van den Berg & Struwig, 2017). I used member checking by giving study participants my interpretation of their answers to interview questions and asking participants to verify the accuracy of my interpretations.

I wrote notes regarding decisions and thoughts made throughout the interview process that enhanced the validity and reliability of the interviews. Researchers use a process, known as researcher's reflexivity, to reflect on the thoughts and decisions made regarding the data collected (Rich & Misener, 2017). An important aspect of a research study is reflexivity because researchers address bias and increase the transparency of the research process (Rich & Misener, 2017).

Data Collection Technique

A widely used method for qualitative data collection is conducting interviews because researchers are able to obtain participants' experiences (Fusch & Ness, 2015). As a means to collect data, qualitative researchers conduct structured, semistructured, or unstructured interviews (Watts et al., 2017). Researchers are able to understand the phenomenon under investigation when participants are able to describe the phenomenon in their own words by answering open-ended questions in semistructured interviews (DeJonckheere & Vaughn, 2019). Researchers use the overarching research question during in-depth interviews to steer the direction of the semistructured interviews and use supporting questions to obtain additional data related to expand on the phenomenon under study (Sweeney & Goldblatt, 2016). I conducted semistructured interviews with leaders of nonprofit organizations to obtain the strategies they use to prevent losses from employee financial fraud. In addition to conducting semistructured interviews, researchers analyze organizational documents related to the phenomenon under investigation (Williams & Moser, 2019). Researchers gain an enhanced understanding of the phenomenon under scrutiny and increase the rigor of their studies when they use several data collection methods because they are able to conduct methodological triangulation (Jaspersen & Stein, 2019). I analyzed organizational documentation related to strategies leaders of nonprofit organizations use to prevent losses from employee financial fraud.

There are different advantages for both researchers and participants when researchers use semistructured interviews as the data collection process. Using semistructured interviews allows participants to expand on their answers (DeJonckheere & Vaughn, 2019). Researchers also have the potential to ask questions for clarification (Arsel, 2017). In addition, researchers are able to establish a relationship with participants and answer questions participants may ask regarding the study (Arsel, 2017). I used semistructured interviews with open-ended questions to gain an understanding of the strategies leaders of nonprofit organizations use to prevent losses from employee financial fraud, allowing participants to elaborate on their answers. I asked clarifying questions, as needed, and answered any question the participants had about the study.

There are disadvantages for researchers when using semistructured interviews that affect the quality the data collected. Participants feeling uncomfortable and nervous about recording their responses is a common disadvantage of using interviews to collect data

(Lancaster, 2017). Researchers' perspectives and body language may possibly affect participants' responses, causing the integration of bias into the study (Marshall & Rossman, 2016). I used interview protocols to reduce participants' anxiety and researcher bias.

In order to test the interview protocol, researchers conduct pilot interviews (Benia, Hauck-Filho, Dillenburg, & Stein, 2015) and request feedback about the overall structure and experience of the interview from participants (Benia et al., 2015). Researchers use this feedback to improve the interview protocol quality of the data collected (Malmqvist, Hellberg, Möllås, Rose, & Shevlin, 2019). A pilot study is usually associated with quantitative research and not suitable in qualitative case study research (Majid, Othman, Mohamad, Lim, & Yusof, 2017); therefore, I did not conduct a pilot study

Researchers use member checking to give participants an opportunity for reviewing and clarifying their interview transcripts (Liao & Hitchcock, 2018). Researchers improve the credibility of data by using member checking (Marshall & Rossman, 2016). Researchers Naidu and Prose (2018) warned of the disadvantages of member checking, such as no comments from participants mean consent when participants may not have read the transcript at all.

I collected data from participants by using face-to-face, semistructured interviews in the participants' offices. I also ensured that the overarching research question is in alignment with the individual interview guides for participants. The interview questions served as a guide because each participant's interview is unique. I recorded and transcribed all answers to the interview questions of participants and requested that participants review and verify my interpretation of their responses to mitigate bias. Researchers improve the trustworthiness of the study when allowing participants to engage in member checking (Yin, 2018).

Document analysis was a second source of data I used, in addition to collecting interview data. There are various research methods that researchers can use when collecting data, such as document analysis (Fusch & Ness, 2015). Qualitative data found in documents are usually in a graphical, textual, or pictorial format (Williams & Moser, 2019). Using document analysis along with interviewing allows researchers to gain a deeper understanding of the phenomenon under study (Yin, 2018) and allows the researcher to perform methodological triangulation which also enhances the rigor of the study (Abdalla, Oliveira, Azevedo, & Gonzalez, 2018). Annual reports, financial statements, and budget justifications are important documents that may be useful for document analysis (van den Berg & Struwig, 2017; Yin, 2018).

In terms of disadvantages of document analysis, it may be difficult to collect data through document analysis since there might be a risk of receiving document authorization by an interested witness possessing a specific interest (van den Berg & Struwig, 2017). Therefore, the researcher needs to consider the purpose of generating documents by organizations (Siegner, Hagerman, & Kozak, 2018). Researchers suggest that an accurate recording of events may not be in the documentation due to reflecting the author's perspective (Siegner et al., 2018).

Researchers can use documents to triangulate other data collected through interviews (van den Berg & Struwig, 2017). Documents may be beneficial to the case study in providing specific information, such as the details of events or spelling of names (Yin, 2018). I requested access to documents from the appropriate individuals with the case organization after receiving IRB approval to conduct this study. The documents I reviewed include information related to strategies leaders of nonprofit organizations use to prevent losses from employee financial fraud. I scanned all paper documents and stored them, along with electronic files containing other data collected on an external password-protected flash drive to facilitate the review and analysis process.

Data Organization Technique

Before beginning with data analysis, qualitative researchers should create an appropriate system to organize data (Tripathi, Shukla, & Sonker, 2016). Researchers are more apt to conduct rigorous research when organizing their data (Yin, 2018). According to Yin (2018), it is beneficial to organize and compile data in a way that is similar to using a database to organize quantitative data.

I conducted face-to-face, semistructured interviews with leaders of nonprofit organizations using open-ended interview questions (see Appendix B). Researchers assign participants a unique code to ensure confidentiality (Hansen et al., 2017). I assigned participants of this study codes to ensure their confidentiality. For instance, the letter P and a number between 1 and 3 were the participant codes for leaders of nonprofit organizations. Lancaster (2017) found that researchers can ensure participants' confidentiality by changing participants' names, places mentioned, and the names of others mentioned by participants. I eliminated all information that anyone can trace back to the participants, transcribed the interview of each leader participant, and assigned the appropriate participant code to each participant in the interview transcript to protect the participants' confidentiality. I stored the master key connecting codes to participant names in a separate location from the de-identified data.

I safeguarded the electronic transcripts, observations, and notes on a password-protected flash drive. The unique participant code was recorded on all notes regarding each specific participant. Ensuring data security included converting and scanning paper files into PDF images to protect the data and keep them in a safe place. A document identifier number was given to all documents obtained for documentary review. The beginning step in organizing company documents was to convert and scan paper documents into electronic documents. I facilitated data organization and retrieval through subsequent filing of electronic documents to a dedicated folder.

I also stored electronic data in a dedicated folder on a password-protected flash drive. Researchers improve data organization by importing raw data into a computer-assisted qualitative data analysis software (CAQDAS) program from the password-protected flash drive (Yin, 2018). Researchers analyze and organize data more efficiently when using CAQDAS (Woods, Macklin, & Lewis, 2016). Furukawa (2016) pointed out that CAQDAS improves the data analysis process; however, it does not replace the role of the researcher in analyzing and organizing data. A web application for qualitative research that is easily accessible, intuitive, and inexpensive to use is Nvivo (www.nvivo.com). The NVivo web application is also cloud-based and password protected. I used NVivo to file, organize, and import interview transcripts, audio recordings of the interviews, documents for review, and any other notes that were relevant to the study. I kept all data in a specific location which facilitated data analysis and retrieval.

Researchers are able to portray transparency of the research process by keeping a reflective journal (Annink, 2017) that helps them in the bracketing process (Clark & Bower, 2016). Researchers are able to record the research process and capture rich and thick descriptions (Fusch & Ness, 2015) related to the interview settings or reactions to interviews by keeping a reflective journal (Annink, 2017). I kept computerized notes documenting details regarding the interview setting and process. While reviewing documents, I also notated concepts and views, coding decisions, and theme identification decisions to promote transparency.

Gupta and Vishvakarma (2016) noted the importance of safeguarding the information and not retaining data longer than required. During and after conducting research studies, researchers can adopt various best practices that emerged from the research data protection legislation to ensure adequate data protection (Gupta & Vishvakarma, 2016). The following items are best practices that researchers can follow (Yin, 2018), which are (a) identifying the purpose of collecting data, (b) acquiring informed consent, (c) collecting specific information needed for the study, (d) using the data specifically for the purposes of the research study, (e) retaining the information for a limited time, and (f) safeguarding the information.

As a way to control and restrict access, I saved all raw data on a password-protected flash drive, and kept hardcopies in a locked safe, as recommended by Silverman (2016). As Marshall and Rossman (2016) stated, during field research studies, researchers must consider ethical requirements for data collection, including safeguarding hard copies in a locked filing cabinet along with electronic copies on the researcher's password-protected flash drive. According to the requirements of Walden University, after the completion of the study, raw data will continue to be safeguarded in the locked safe for 5 years. After the 5-year period, I will physically destroy the raw data on the password-protected flash drive and shred the hard copies.

Data Analysis

Researchers increase the richness, breadth, and depth of their research studies through the use of triangulation (Yin, 2018). Researchers use methodological triangulation to collect and verify their research data and findings (Marshall & Rossman, 2016). As a way to ensure the validity and credibility of the data, researchers use methodological triangulation (Abdalla et al., 2018). Researchers are able to gain insight into the phenomenon they are exploring when applying methodological triangulation to the data collected (Marshall & Rossman, 2016). As an example, a researcher develops convergent evidence when triangulating data collected from organizational document reviews and semistructured interviews. Yin (2018) claimed that converging evidence makes the construct validity stronger in case studies. I used methodological triangulation to triangulate evidence from multiple data sources, such as semistructured interviews and organizational documentation. I used methodological triangulation to confirm the credibility and validity of the data collected and to authenticate my interpretations and analyses of the data. I pursued accurate interpretations of data collected by conducting member checking with the research participants. I provided the participants with my interpretation of their responses to the interview questions and asked participants to verify the accuracy of my interpretations. In an effort to confirm the alignment of data, I compared the member-checked data with the data collected from the review of organizational documentation.

A repetitious process that occurs parallel to data collection is qualitative data analysis (Yin, 2018). Different methods for qualitative data analysis exist, which are content, thematic, and discourse analysis (Yin, 2018). In thematic analysis, researchers read the interview transcripts several times to fully understand the text (Ramakrishna, 2018). CAQDAS, such as DeDoose, is a tool that researchers use to support them in analyzing, classifying, and ordering the data (Woods et al., 2016). Researchers also use CAQDAS to identify the emerging themes and the relationships among these themes (Emmel, 2015).

Yin (2018) suggested that researchers use the following five sequential steps to analyze data collected: (1) compile, (2) disassemble, (3) reassemble, (4) clarify, and (5) conclude. Step 1 includes searching for patterns and themes in various interview transcripts by compiling and organizing data. Williams and Moser (2019) suggested to analyze and code research evidence using qualitative data analysis software, such as NVivo. Researchers can quickly categorize, code, and organize data by using NVivo (Huynh, 2018). Step 2 includes a process referred to as disassembling the data, which involves assigning codes to data. Step 3 involves researchers reassembling and reorganizing the data by themes. In Step 4, researchers use thematic analysis to compare interpreted data with the interview transcripts for validation purposes. Qualitative researchers try to find the answer to the research question by using thematic analysis to recognize themes and patterns in the data (Mathras, Cohen, Mandel, & Mick, 2016). I used NVivo to organize data by occurring themes, interpret, and code the raw data from the organizational document reviews and interview data. I used NVivo to organize codes, map themes, and recognize relationships among the themes and the data. Researchers use thematic analysis to validate the interpreted data with the participants by using member checking (Watts et al., 2017). I verified the accuracy of the interpreted data with the research participants by using member checking. I provided my interpretation of participants' responses to interview questions and asked them to verify the accuracy of my interpretations.

The use of different sources of data is one of the characteristics of case study research (Ridder, 2017). Yin (2018) stated that researchers triangulating data increase the depth and richness of the data collected. Researchers use methodological triangulation to increase the validity of the research process by using data collected from multiple sources, such as semistructured interviews and organizational documentation (Ramakrishna, 2018). Documents related to the organization under study is the second source of data for triangulation. There are different data analysis methods that researchers can use to analyze organizational documents (Jaspersen & Stein, 2019). Among the methods that are available to researchers are thematic analysis and content analysis (Yin, 2018). I analyzed the documents relevant to the study by using content analysis. The researcher, when using content analysis to analyze data, can systematically classify codes and identify themes (Ramakrishna, 2018). There are three phases for document analysis when using content analysis as a data analysis approach, which are preparation, organization, and reporting (Oliveira, Bitencourt, Santos, & Teixeira, 2016). I used methodological triangulation with data collected from semistructured interviews and document reviews. In Step 5, researchers develop conclusions and make recommendations from the study findings in an attempt to answer the overarching research question (Yin, 2018). I gathered and organized the data collected, disassembled the data by codes, reassembled the data by themes to understand the research phenomenon, used thematic analysis to interpret the data, and generated conclusions from the results of the study.

Researchers are able to focus on main themes in the research data when mapping the relationship between themes in different data sets, which can also help to answer the overarching research question (Yin, 2018). Researchers are also able to correlate key themes with the conceptual framework and the literature (Yin, 2018). Researchers can correlate key themes with data categories when coding data with labels (Williams & Moser, 2019). Researchers determine the statistical occurrence of thematic codes in each data category by conducting a frequency analysis (Williams & Moser, 2019). I used the data-coding feature of NVivo 12 to map key themes into data categories to increase the trustworthiness of the study. Researchers search the literature to find key themes in the conceptual framework (Yin, 2018). As a way to establish a link to the methodology, prior literature, and the results of the study, researchers use the conceptual framework. I correlated the key themes emerging from this study with the conceptual framework and current literature.

Reliability and Validity

Lincoln and Guba (1985) established four criteria to address the reliability and validity in qualitative research studies, which are dependability, credibility, transferability, and confirmability. Qualitative researchers use Lincoln and Guba's dependability, credibility, transferability, and confirmability to address the reliability and validity in their qualitative studies.

Reliability

In qualitative case studies, reliability is a challenge for most researchers. Researchers can meet this challenge by using reliable instruments to generate reliable results (Bengtsson, 2016). As recommended by other researchers (Marshall & Rossman, 2016; Williams & Moser, 2019), I used organizational documents and semistructured interviews as sources of evidence in this case study. Yin (2018) recommended that researchers should acknowledge that no source outweighs the other sources, different sources are supportive of each other, and the goal is to include as many resources as possible to enhance the reliability of case studies.

It was also my intention to use the same list of interview questions to achieve consistency, as Bengtsson (2016) and Cassell (2018) suggested. As recommended by other expert researchers (Liao & Hitchcock, 2018), I used member checking to verify data dependability. Using member checking allows researchers to give study participants the researchers' interpretation of participants' answers to interview questions and ask participants to verify the accuracy of their answers to interview questions (van den Berg & Struwig, 2017). As a method to increase data dependability, researchers can use member checking to prevent the integration of biases into the data collected (Rich & Misener, 2017).

A researcher is able to hear and review the responses of the interviewees if they record the interview sessions with the participants, which also allows the researcher to establish reliable themes and transcripts (Rosenbaum, More, & Steane, 2016). To minimize my biases, I requested that interviewees give detailed explanations of their answers. If the participants' answers were not complete, I asked them to expand on their answers. As a way to allow for more reliable results, I did not convey any details regarding the nature of the study before the interview to prevent influencing any of the participants' responses, as Benia et al. (2015) recommended. I used the interview protocol as a guide to produce a reliable study and did not ask any new primary questions.

Validity

Components of the research validation framework are credibility, transferability, and confirmability (Abdalla et al., 2018). Case study researchers ensure credibility using a variety of methods for data collection and comparing data within one case study and across other cases to achieve validity (Rosenthal, 2016). When a study only has one researcher in charge of data collection and analysis, that researcher must ensure that the data collected are representative of the entire data available (Yin, 2018). By carefully and completely reading the interview transcripts, a researcher could establish credibility (Liao & Hitchcock, 2018). I conducted a complete review of the interview transcripts to validate that I had included every detail of the participants' responses to interview questions. I emphasized the similarities and differences across participants in this study. Before analyzing data collected, I performed member checking to ensure the accuracy of the participants' responses to interview questions by giving participants my interpretation of their responses to interview questions and asking them to verify the accuracy of such interpretations, as recommended by several experts (Marshall & Rossman, 2016).

Researchers define transferability as the application of a study's results to other studies (Cavalcanti, 2017). As recommended by several researchers (Woodman, 2014; Yin, 2018), I used internal and external validity with a semistructured interview format to support additional research using other populations to achieve transferability. I selected appropriate study participants, created meticulously detailed demographic information, performed data analysis thoroughly, and generated reliable results in an understandable format to enhance the transferability of this study. Confirmability is the process in which the researchers' perspective of the participants' responses reflects without any biases, and occurs after establishing dependability, credibility, and transferability in the study (Abdalla et al., 2018). I carefully listened to participants to acknowledge and bracket my own biases, ideas, and perceptions. I carefully transcribed participants' answers to interview questions, creating a link between the results and data and confirming the results of my study by using current literature.

Researchers conduct methodological triangulation to improve the validity of case studies (Ramakrishna, 2018) by using several data collection methods (Rosenthal, 2016). I used methodological triangulation in my study by conducting semistructured interviews and reviewing organizational documentation and artifacts to enhance the validity of this case study. Methodological triangulation is essential in increasing the validity of case study research because researchers use a variety of data collection techniques to triangulate the data to confirm the findings (Abdalla et al., 2018).

In an effort to reach data saturation in this study, I continued to interview study participants until no new themes emerged. Researchers reach data saturation when they do not obtain any new themes from additional data analyses and collection (Fusch & Ness, 2015). A researcher is unable to reach solid findings without reaching data saturation (Braun & Clarke, 2019); therefore, I collected and analyzed data until no new themes emerged.

Transition and Summary

Section 1 included the foundation of the study that consists of the problem statement, purpose statement, and the nature of the study, which support my selection of the methodology and design in this study. In Section 1, I presented qualitative research as the methodology and case study as the design for my study. I also provided the interview questions; operational definitions; and assumptions, limitations, and delimitations of this study. I completed Section 1 by including the significance of the study and a review of the professional and academic literature. The literature review included a detailed analysis of research regarding the fraud triangle theory, ethical and unethical behavior, along with processes and internal controls to promote ethical leadership and provide insight on the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud.

Section 2 included a restatement of the purpose of the study, the researchers' role, a description of the participants, the population and sampling methods, and ethical issues regarding this study. I also included verification of the research method and design of the study and conveyed the techniques that I will use for data collection, organization, and analysis. I finalized Section 2 with discussions related to the validity and reliability of this study. In Section 3, I will include the following: (a) introduction, (b) presentation of the findings, (c) application to professional practice, (d) implications for social change, (e) recommendations for action, (f) recommendations for further study, (g) reflections, and (h) conclusion.

Section 3: Application to Professional Practice and Implications for Change

In Section 3, I restate the purpose of the study and the overarching research question. I also present the study findings, discuss the applications of this study to professional practice, and present the implications for positive social change. Finally, I discuss the recommendations for action and further research, provide a personal reflection, and give study conclusions.

Introduction

The purpose of this qualitative multicase study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. I conducted face-to-face, semistructured interviews with three leaders of nonprofit organizations possessing at least 5 years of successful experience in using strategies to prevent losses from employee financial fraud. In addition to conducting semistructured interviews, I also analyzed organizational documents related to the strategies leaders used to prevent losses from employee financial fraud, which included written policies, processes, internal controls, and accounting procedures. Analyses of data resulted in two themes, which are policies created helped leaders to prevent losses from employee financial fraud and procedures established and followed helped leaders to prevent losses from employee financial fraud. There are three subthemes included in Theme 1, which reflects the multi-level nature of Theme 1 and the findings.

Presentation of the Findings

The overarching research question for this qualitative multicase study was, what strategies do leaders of nonprofit organizations use to prevent losses from employee financial fraud? To answer the central research question, I conducted semistructured interviews with three leaders of three different nonprofit organizations and analyzed organizational documentation and artifacts in each of the three participating nonprofit organizations. I analyzed the data using Yin's (2018) five-step process, including the use of methodological triangulation and member checking. As a result of data analyses, the following two themes emerged: policies created helped leaders to prevent losses from employee financial fraud and procedures established and followed helped leaders to prevent losses from employee financial fraud.

Theme 1: Policies Created Helped Leaders to Prevent Losses from Employee Financial Fraud

The first theme that emerged from analyses of data was that policies created helped leaders to prevent losses from employee financial fraud. I conducted semistructured interviews with three leader participants (P1, P2, and P3) and found that having written policies at each organization was a common strategy the three participants used in their respective nonprofits. Some of the written policies used as strategies to prevent employee financial fraud were cash policies, checks and credit card policies, and purchase policies.

Cash policies. Cash policies, as a strategy to prevent employee financial fraud at each organization, were discussed by two of the participants during the semistructured interviews. P1's organization had updated its cash policy the week before I interviewed P1. In addition, P1 indicated that the updated cash policy limited the number of staff to only three employees to receive cash for the organization. The three employees that are authorized to receive cash are the front desk employee, the childcare accountant, and the finance director. If the front desk employee is not able to receive the cash, the childcare accountant or the finance director can receive the cash. P1 emphasized that if cash is not received by the front desk employee, either the childcare attendant or the finance director receiving the cash must write a receipt and immediately drop the cash into the safe. The original receipt is given to the payer, and P1 keeps the yellow copy of the receipt for P1's records. P1 stated:

> Then it's instantly entered in our credit, I mean our computer system, so that it's always trackable, just checks and balances . . . no one has cash anywhere. We have a safe that is a combination safe, and only our directors have the code to that.

P1 shared that the cash policy was available to the Board of Directors. P1 stated that "they are trusting financial people on the finance committee to look through it, but they're very aware of all of our policies and they know who ranks where and who has access to cash."

I conducted methodological triangulation with the data collected from several sources. For example, I requested a copy of P1's updated cash policy. In my analysis of the updated cash policy, I did observe that the policy stated that only the childcare accountant, front desk employee, and finance director could accept cash payments. I also saw that under special circumstances, cash payments may only be accepted by the childcare accountant with prior approval from the finance director or CEO in the absence of the finance director. The policy did indicate that the cash payments made to the childcare accountant were to be recorded in a duplicate receipt book and the original copy was to be given to the payer. The policy also stated that any other directors can only receive checks or money orders. Credit cards can be processed using the machines in the childcare accountant's office or the front desk, per the policy. Payments of any type were to be entered immediately into the computer system upon receipt. Fundraisers were to be held in the directors' offices or in areas that were monitored by staff or cameras, and money containers were to be locked to prevent theft.

P3 pointed out that P3's organization also has a cash policy that was approximately six pages in length related to money-handling activities, but within the last 3 years, the policy became 45 pages. The increase in the number of pages was due to federal policies that P3 has to follow. P3 shared that rather than just saying that the organization adheres to the federal policies, there is an addendum to the six pages for the federal policies. P3 expressed that anytime the organization changes a policy, it is in writing. P3 stated that "all revenue must be recorded in a receipt book. We've added stuff over the years, we went from a two-page receipt to a three-page receipt book." P3 recalled the reason for the change was to keep a copy for the organization, one for the deposit, and one for the Club Director. The kid's name must be written on the receipt rather than the parents' names. P3 explained that "so many names of kids are not the same as their parents . . . A parent's name does us no good, we don't track our parents' names." P3 further explained that when the deposits are gathered at the end of the day, the parents' names might not match up if there is a money issue.

I requested a copy of P3's cash policy in an effort to triangulate the data collected when interviewing P3. I observed by reading the policy that there were several pages of policies regarding the handling of cash and an addendum that followed, as explained by P3. I found that P3's policy regarding deposits and cash receipts included that all revenue should be recorded in a three-copy receipt book. P3's policy stated that the receipt should include the child's name, date, amount, and description of the payment. The white copy is for the customer, and the yellow and pink copies remain in the receipt book.

Checks and credit card policies. Another strategy used to prevent losses from employee financial fraud that P2 discussed was the check and credit card policies. P2 stated that P2's organization has written financial policies for checks and credit cards. P2 stated that in terms of strategies used, "there's a couple of different things; with checks and requests what we do is, if someone needs . . . there is no petty cash number one." P2 also mentioned that "all funds are accounted for using the cash basis of accounting." P2 emphasized that for credit card purchases, there is a policy where the executive director has possession of the credit card.

Upon asking P2 about ways that successful strategies were communicated throughout the organization, P2 gave this example: "when they sign out the credit cards that policy is actually attached to where they have to sign, so they have to read it every time if they, if they want to." At the end of the interview, P2 expressed:

> There weren't some policies in place and, in order to, and I told the Board this, 'cause we have a Board of Directors that reviews everything. And then when I came up with the process of the credit card policy, you know, I found that I may not be the only one that can go out. I can't be running around purchasing stuff all the time, I had to come up with a policy there.

P2 also expressed to me that putting policies in place, ensuring that the employees understand the policy, and following the policy were key processes for preventing losses from employee financial fraud. P2 stated:

> Just because you have a written policy doesn't mean you follow it. You know, my philosophy is if it's in the policy, follow it. If you're not following it, then you need to change it, change the policy, but don't have a policy that you don't follow, and if you're not following it . . . why? Do you need to change the policy?

I requested a copy of P2's credit card policy and fiscal policies to triangulate the data collected from the interview. P2's policy stated that the business credit card will be in the executive director's possession at all times, unless it is needed to make a business payment without the executive director being present. The policy also gave directions on the steps to follow if the executive director was not present. P2 also shared a copy of the organization's fiscal policies, which stated that the cash basis of accounting is used for all funds. The cash basis of accounting means that revenues are recognized when received not earned, and expenses are recorded when paid.

Purchasing policies. Purchasing policies were another strategy discussed by two of the participants in the interviews to prevent losses from employee financial fraud. P2 also shared that the purchasing policy states that:

> If someone needs to purchase something or get reimbursed for something, they have to fill out a request form. It has to be signed off by myself . . . then we have a Board Member who signs off on all the checks.

In conducting methodological triangulation with the data collected, I requested a copy of the purchasing policy discussed in the interview. P2 shared the policy with me, and I observed that the executive director is responsible for approving bills. Upon approval, the executive director submits to the third-party CPA for payment to be remitted.

P1 explained that having a policy regarding the handling of money and purchases really takes much work off from other staff members and eliminates their responsibility of handling cash. P1 gave this example to show the importance of the policy:

> We have some directors that like to do, say a party was in the childcare area, and they want to just collect cash at a pizza party from each child and they use that cash to pay for the party . . . and that's not right, and once we caught wind of that we put a stop to that . . . they were not happy. But it's just not a checks and balance, you know, that money should go into the bank and then should go out to pay pizza place or whatever.

I referred to P1's cash policy to triangulate the data regarding purchases discussed in the interview. The food that the staff purchased for the party had to be paid via credit card or an accounts payable check, and not with cash. The policy also stated that any miscellaneous merchandise should only be paid via check.

After reviewing and analyzing the data collected from the three participants, I gained a deeper insight into some of the successful strategies that nonprofit organizations use to prevent losses from employee financial fraud. I also reflected upon the conversations held with all three leader participants and arrived at the conclusion that the three participants possess a passion that was evident when they spoke of the mission of the organization that they represented and conveyed commitment to the staff, consumers, and community. A common strategy used in all three of the organizations was written policies. I noticed that the three participants had implemented policies that required the involvement of top management as strategies to prevent losses from employee financial fraud. I could also see that not only did these business leaders develop the policies, but they followed, promoted, and supported the policies for the employees to follow. A richer discussion of the procedures employees follow to enforce the policy is included in Theme 2.

According to Nygaard et al. (2017), power is one of the important managerial tools that managers use to influence, promote, and establish business efficiency. Nygaard et al. indicated that managers can use power to influence and change ethical values. I observed that all three participants used written policies as strategies to establish internal controls within their organizations. These findings support Peters and Maniam's (2016) findings in that the organizations' business culture, business environment, and ethical strategies have a role in whether employees have an opportunity to act fraudulently; therefore, managers can help to decrease fraudulent behavior by improving their policies, strategies, and corporate structure. Batae (2018) suggested that ethical leadership leads to corporate governance because of the morals and traits that leaders possess. Batae concluded that safeguards for the work environment include implementing strong internal controls, establishing up to date policies, and developing procedures. In contrast, Habib, Bhuiyan, and Rahman (2019) suggested that the decisions of top managers can result in unethical behavior. Habib et al. suggested that auditors are aware of the increased audit risk when dealing with managers that have questionable integrity.

Correlation to the literature. The findings notated in Theme 1 were in alignment with Zarezankova-Potevska and Potevska-Kolevska's (2017) findings in that business ethics are part of the business philosophy and are a set of standards for good or bad decision making. Chan and Ananthram (2016) suggested that some executives turned to external controls, such as ethical code of conduct, organizational policies, and compliance programs as methods to carry out their duties with integrity. Cannon et al. (2015) expressed that a strong ethical culture requires a leader that has a strong passion for the mission of the organization and conveys commitment to the staff, consumers, and community. Melé et al. (2017) suggested that effective managers using professionalism, drive, and behavior in establishing the right priorities toward the mission avoid unethical decisions. Youssef and Rachid (2015) claimed that without honesty, the implementation of laws, regulations, and policies is ineffective and inefficient for the person that is responsible for implementing the regulations. Fiolleau et al. (2018) suggested that the delegation of authority to managers to make decisions on behalf of the organization can also result in an opportunity for managers to act unethically. Fiolleau et al. also indicated that the implementation of organizational controls could minimize the fraudulent behavior and increase the probability to detect the unethical behavior.

Correlation to the conceptual framework. Theme 1 of this study correlates with Cressey's (1952) fraud triangle theory. The correlation is based on the written policies that each leader used as a strategy to prevent losses from employee financial fraud.

Cressey suggested that employees commit fraud when they detect an opportunity, rationalize their thinking processes, and have a serious financial need. The characteristics that influence the opportunity element of the fraud triangle relate to the level of control perceived. Factors that affect the level of perceived control are the policies and procedures of the organization, along with the employees' perceptions of those policies and procedures (Brown et al., 2016). Vousinas (2019) argued that the complexity of fraud makes it challenging to detect. According to Azam (2018), fraud can be committed by any individual, even those most trusted.

Theme 2: Procedures Established and Followed Helped Leaders to Prevent Losses from Employee Financial Fraud

The second theme that emerged from analyses of data was that procedures established and followed helped leaders to prevent losses from employee financial fraud. Upon conducting interviews with the three leader participants, I identified that procedures implemented at each organization were a common strategy used by the three participants. Among the procedures to prevent employee financial fraud that the three participants mentioned involved the cash policy. P1 stated that the updated cash policy and procedures brought about new procedures that employees must follow. P1 defined some of the new procedures by stating:

> Each person working the front desk has their own login information on their shift, and they have one computer they use the entire shift . . . after that, they drop it (collections) into the safe, and the front desk director, the next day, gathers them all to make sure that the check totals match up, the cash total matches up of all the

> shifts combined, and the credit card matches the tally from the machine that it calculates.

P1 explained that, as the Finance Director, P1 has procedures that P1 separately performs, such as processing the checks, reconciling the bank account, and counting the cash a second time, as a strategy to prevent employee financial fraud. When reviewing organizational documentation, I found in the documents several instances in which P1's organization had implemented internal controls that established the segregation of duties, aligning with the data I obtained from conducting semistructured interviews.

During my interview with P2, some of the procedures for checks, credit cards, and purchases were discussed. P2 explained that it was a 3-point process for someone to purchase something. P2 stated, "there is not one person that can request something, pay for something, and sign something. There always has to . . . there is always three people involved in the process." P2 stated:

> If a staff member or program coordinator needs to purchase an item, they must request a credit card from the Executive Director, they have to sign it out, let the Executive Director know where they're going, and what they're purchasing. Then when they sign it back in, they have to sign it back in and provide the receipt with the code on it as to what they purchased. So, that is always a two-person process for the purchase, but once that credit card is paid, it is actually signed off by the Executive Director, and the check is signed off by a Board Member. So really in all processes there are at least three, and of course again, the

> outside contracted bookkeeper. So, there's always a process of at least three people looking at the check or a credit card purchase. There is no check that is cut without that process being followed. Yeah, they have to sign off on it, I sign off on it, the bookkeeper cuts the check and then when the checks are cut, the Executive Director and a Board Member sign the checks.

P2 expressed the importance of procedures in the organization. P2 stated, "I told the Board this, I said you know me being a new Executive Director, we need to make sure that there's processes in place so that you're not questioning all the time why, why, why!" P2 explained that to ensure there is control on the credit card policy, P2's organization implemented procedures to actually sign the credit card out and sign it back in with the receipt.

I requested a copy of P2's organizational documents in an effort to triangulate the data collected when interviewing P2. I reviewed the documents and found that the Executive Director keeps the business credit card at all times. The procedures to be followed if a charge is to be made without the presence of the Executive Director were also listed. As mentioned in the interview, the organizational documents state that anyone needing to make a purchase should request the credit card and provide reason for charge, sign out credit card, return credit card with receipt to Executive Director, and sign it back in.

I asked P2 if there was anything that P2 would like to add about the strategies used to prevent losses from employee financial fraud. P2 quickly responded:

> That is something I have worried about over the years because I’ve always said, you know, how can . . . ’cause even . . . and, and I didn’t talk about this, but when checks come into the organization, I have one person going to the post office to get the checks. I open the checks. I have another person separately filling the deposit slips out, and then I go to bank a deposit. So, there’s at least two people in that process as well. You know, it’s, it’s just making sure that not one person is responsible when handling the money whether it’s coming in or going out.

P2 explained that as a practice to help prevent losses from employee financial fraud, P2 had to establish a budget. P2 shared:

> So, we did, we came up with a budget and have a budget, so I have to follow that budget, and then if I go out of that budget, then they’re gonna question why, they review that monthly . . . they review the financials monthly.

I asked P2 if there were any key barriers when implementing strategies to prevent losses from employee financial fraud and, if so, to explain if the organization had overcome those barriers. P2 explained that some of the credit card practices take a little time and may not always be convenient. P2 expressed:

> But I just have to take the time to stop and say okay, you have to sign it out, and then when they come back, okay, you have to sign it in . . . and I wonder where is that receipt, it’s just a matter of taking the time.

P2 mentioned during the interview other practices that added a stronger level of control for the organization. P2 indicated that one of the procedures used as a successful strategy is having an outside bookkeeper rather than an in-house staff handling the books.

P2 also shared that having the Board review the financials monthly is another good procedure of P2's organization. I requested a copy of P2's organizational documents to triangulate the data collected from P2 regarding practices that support the data that were discussed during the interview. The document clearly included, as P2 mentioned, that the organization uses a third-party CPA to handle disbursements of checks, payroll, and for the reconciliation of bank accounts. The document also stated that the financials are reviewed with the Board of Directors monthly, which confirms the explanation that P2 gave during the interview.

In interviewing P3, I observed that P3 was very confident about discussing the procedures of the organization that support policies in place. P3 stated:

> It's also within our organization no one person is an island into themselves. So, when it comes to our finances there's normally three or four hands within the processing, whether it's that paperwork, whether it's the deposit, whether it's asking for a reimbursement or whatever it becomes, it just becomes more eyes on and so if somebody ever has a question, it . . . it percolates to the top, I mean, and being honest . . . you know (lol), if somebody wants to steal from a nonprofit, they can steal from a nonprofit. The system does not change. It throws red flags up to me when somebody changes the system. Now they might've changed it for the better, but again, it . . . it's transparency so if you want to change something, come ask me if this change is okay because not only I want to know what you're doing, it also might have a detrimental effect somewhere else along the process, so that change is going to change a couple more things.

P3 explained that the organization had approximately 26 people handling the money. P3 added, “which is way too many, but that’s also spread across seven sights.” During the interview, I asked P3 about the response of the employees to those strategies. P3 responded:

> With people changing process . . . not always positive, or employees who . . . you putting a process out and saying hey we’re gonna use this process and it might cause a club director an extra three hours a month to work the process, but on my side of it, it saves somebody down the line ten hours of time. Sometimes I might have to explain it a little bit more . . . they still don’t buy in but if you can at least tell them the difference of you know; yes, it’s costing you three hours, but it’s saving us ten hours of time . . . again, limiting the number of people, so if I see Joe at a sight collecting money and I know he’s not one of the four, there’s something wrong here! Why is Joe collecting money? You know, so again, just making sure . . . and we let all of our staff know.

P3 mentioned that during the summer, P3’s organization has the most people collecting money, but P3’s organization has a summer training program that involves collecting and handling money. I asked P3 about the key procedures for preventing losses from employee financial fraud. P3 answered:

> You have multiple hands in the pot that you have nobody working in their *own silo*. I know who to call, but actually how to do it becomes a little bit strange but having multiple silos and having a process that everybody follows. I think those are just, you can’t get away from those two.

I asked P3 about procedures that have been successful in P3's organization. P3 quickly responded, "hire honest people." P3 added, "so I guess it's hire good people, being transparent, and . . . and having multiple hands in the kitty," as good practices to successfully prevent losses from employee financial fraud. P3 stated, "we pull together, I mean we'll have staff training, we'll have staff meetings."

I asked P3 if there were any key barriers when implementing the strategies and, if so, to explain the way the organization overcame those barriers. P3 shared:

> Did some of 'em, but I'll go back to the auditors . . . we have changed auditors in the past because how the auditor wanted us to function . . . was not an easy way to function in our environment . . . and I'm just a believer, yes you have statutes, you have regulations, you have rules . . . how individuals interpret those does not mean that's the only way you can do it so . . . sometimes we have changed the way we do . . . we do things. Where we've changed auditors to maintain the way we've done it, but also changing auditors we've had to change other things, you know. We've never asked an auditor for a break . . . but provide us suggestions of can we, how do we tweak this to get to where we need to be . . . and I think that's also trusting your auditors. You know, there's a big push out there that oh people oughta' change your auditors and their bank every other three years or whatever and all that stuff is . . . and I see the reason for it, but at the same time, we probably have 53 different funding source, grant funding sources.

P3 also mentioned that challenges of changing auditors exist and that having the same auditor can help in seeing and understanding the bigger picture. P3 expressed, "it's not just our financial guys . . . it's people who have been around for years." P3 shared other successful procedures:

> You know, we do have an auditing committee on our Board. Oh, and the auditor comes to at least one board meeting a year to present the audit. So, if he feels like something is not happening, I mean he comes to the meeting, he has 20 minutes, and then there's Q & A. So again, it's a transparency thing.

I asked P3 if there was anything that P3 would like to add about strategies used to prevent losses from employee financial fraud. P3 responded:

> Nothing, but it'd make life a lot easier if everybody worked from the same interpretations of the regs. I mean . . . it's crazy! It's the same regs . . . it's the perspective of how they want to interpret it, or they've had something to happen. When we've had new requirements come down on us, you could almost walk back . . . you develop relationships, people talk and it's like, oh we're doing that because of what happened in another county . . . that we know of, or we're doing that because of what happened in another city, where some federal dollars out there and since we get the same federal dollars, you're making us change things. No, what they did in another city was completely illegal, it was not a financial practices problem. You know, I guess it's hold people accountable . . . that's what a lot of funding sources try to do is we're gonna hold you accountable by your paperwork and it's like no, you gotta come look at it for your own eyes, but you know, I mean paperwork says what paperwork says! I can write anything down, you know, I think everybody has those headaches.

After reflecting upon the conversations with the three participants, I observed that all three participants had established procedures that supported the written policies of their nonprofit organizations. I also reviewed organizational documents that the participants shared, which contained procedures that must be followed to comply with the policies to promote successful businesses.

Correlation to the literature. The findings notated in Theme 2 were in alignment with the findings of Karim et al. (2018) in that the lack of practices and absence of standard operating procedures can lead to problems and weaknesses in internal control. Batae (2018) concluded that many organizations are challenged with ethical issues. Organizations must meet compliance requirements for the business to operate. Many companies are assessing probable risks of fraud as a form of protection (Batae, 2018). Even though some organizations do not believe that fraud can happen, in reality, it occurs by some of the most trustworthy people. According to Verschoor (2014), smaller businesses have different types of fraud than the larger businesses. Verschoor claimed that one of the likely causes of fraud is having less internal control measures. Verschoor emphasized that managers implementing other fraud controls can reduce cost and promote earlier fraud discovery. Verschoor claimed that some controls at a cheaper price may be more appealing to smaller businesses to prevent fraud. Verschoor suggested that these controls include implementing an anti-fraud policy; providing anti-fraud training; and improving the management review of procedures, such as transactions, processes, and account data.

Correlation to the conceptual framework. Theme 2 of this study correlates with Cressey's (1952) fraud triangle theory. The correlation is based on the procedures that each leader followed as a strategy to prevent employee financial fraud. Cressey indicated that proper internal controls help to minimize losses and deter opportunities that employees perceive. These strategies are viewed as forms of internal control to protect against fraud at each organization. Azam (2018) suggested that honest people will commit fraud when there is severe financial pressure. An individual may feel pressure to support an expensive lifestyle on a limited income, act on an opportunity to commit fraud, and rationalize that own actions are justifiable and moral (Zakaria et al., 2016). Business managers using the fraud triangle theory may greatly reduce the possibility of fraudulent activity within the organization along with upholding the credibility of the employees and the organization (Roden et al., 2016). A major opportunity for fraudulent activity in small businesses is the inadequate segregation of duties (Roden et al., 2016). Schuchter and Levi (2015) also indicated that in accounting research, the issue of weak internal control is also related to the available opportunity.

Applications to Professional Practice

The findings from this study are applicable in helping business leaders prevent losses from employee financial fraud. Business leaders could take advantage of useful information regarding successful business strategies that nonprofit business leaders use to prevent losses from employee financial fraud. Fraud continues to flourish from different fraudulent activities carried out by the wrongdoers, developing creative ways to deceive the innocent organization (Azam, 2018). All businesses are subject to the risk of fraud;

therefore, to prevent fraud, managers are implementing training, policies, and procedures to detect possible fraud (Moyes et al., 2019).

Hendri and Amelia (2019) defined internal control as the essential processes that leaders perform on a daily basis to confidently achieve organizational goals efficiently and effectively. The internal controls include policies and procedures of the organization that are used to achieve objectives, provide reliable financial statements, and assure compliance with appropriate regulations and laws (Hendri & Amelia, 2019). Managers can enhance the value of the organization by having an internal control system that is effective in minimizing unethical behavior, such as fraud (Zakaria et al., 2016). The findings of this study correlated with Cressey's (1952) fraud triangle theory in that business leaders can use the fraud triangle theory to better understand the reasons that individuals commit fraud. Some managers possessing an understanding of the fraud triangle design concept may gain insight of fraud and the strategies to prevent for a successful business (Akuh, 2018). Hendri and Amelia concluded that internal controls make the accounting information system stronger.

I identified that policies created helped the leaders to prevent losses. Some of the written policies used as strategies to prevent employee financial fraud were cash policies, checks and credit card policies, and purchase policies. I also identified that procedures established and followed helped leaders to prevent losses. Upon my review of the procedures conducted by the participants, I noted that the participating organizations implemented internal controls that established segregation of duties of those processes conducted. I learned that some of the common practices at each organization were having no cash on hand, establishing a budget, and reviewing monthly financial statements. Business leaders of nonprofit organizations could obtain information about the weaknesses of different types of internal control to help in implementing more effective antifraud policies and procedures.

Implications for Social Change

The findings from this study may have implications for positive social change that ethical leaders may use to promote ethical practices for organizations in the community. Ethical leaders recognize their social responsibilities, which benefit society because ethical leaders boost consumer confidence (Benlemlih, 2017). Nonprofit business leaders may gain insights from the findings of this study to lead ethically and help communities to prosper. Additional implications for positive social change include the potential of successful nonprofit organizations to create positive social outcomes in their communities by providing increased services and employment opportunities to the local community.

Snellman (2015) claimed that there is an increase in the misuse of public authority and resources for public purposes, resulting in a lack of trust in governments, employees, and public authorities. There is a need for new effective controls for reducing wrongdoings and promoting ethical behavior in businesses (Snellman, 2015). Business leaders could use effective fraud prevention internal controls to increase the likelihood of business success, improving the economic and social status of the local community.

Recommendations for Action

Leaders of nonprofit organizations should pay attention to the findings of this study and consider assessing the strategies used to prevent losses from employee financial fraud. Based on the results of this study, I propose the following recommendations for action to become more successful in preventing losses from employee financial fraud:

1. Leaders of nonprofit organizations should lead with honesty and commitment to pursue successful strategies to protect against fraudulent and unethical behavior.
2. Create and implement policies to help leaders of nonprofit organizations prevent losses. Leaders of nonprofit organizations may consider implementing policies that will help to prevent losses from employee financial fraud. Some of the written policies include the implementation of cash policies, checks and credit card policies, and purchase policies. Leaders of nonprofit organizations may implement written policies to establish internal controls within their organizations.
3. Establish and follow procedures to help leaders of nonprofit organizations prevent losses. Another recommendation that business leaders may consider is establishing procedures in support of the policies in place to help prevent losses from employee financial fraud. Leaders of nonprofit organizations should also hold employees accountable to follow the procedures that they choose to eliminate. Some of the procedures that leaders of nonprofit organizations may develop include enforcing rules regarding the processing of checks, reconciling of bank accounts, accounting of cash, and purchasing of

supplies. Leaders of nonprofit organizations may implement procedures that establish segregation of duties of the processes all employees perform.

Recommendations for Further Research

The purpose of this qualitative multicase study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. The findings of this study are limited in scope and, consequently, further research is needed to explore other strategies that leaders of nonprofit organizations could use to prevent losses from employee financial fraud. Based upon the findings of this study, I offer the following recommendations for future research:

1. Recommendations for future research should address some of the limitations of this study. The limitations of this study included using a small sample size, consisting of three leaders of nonprofit organizations. I conducted the study at three nonprofit organizations located in Florence, South Carolina, which limited the generalizability of the study findings. Researchers conducting similar research studies in the future should consider increasing the sample size.
2. Conducting similar research using for-profit organizations should allow future researchers to collect rich data related to strategies used to prevent losses from employee financial fraud.
3. Future researchers should also consider including employees working under the supervision of leaders of nonprofit organizations to obtain different

perspectives related to strategies used to prevent losses for employee financial fraud.

4. Conducting research with other business leaders across different industries should reveal valuable information.
5. Future researchers should consider using the quantitative or mixed-methods research methodologies to examine the relationship between employee financial fraud and other variables. Researchers conducting longitudinal studies in the future to examine these variables could provide leaders of nonprofit organizations with new statistical data that may help with the prevention of losses from employee financial fraud.

Reflections

In my pursuit of completing this study, I have grown both academically and skillfully as a researcher. I learned that my role as the researcher was to have no perspective of my own, but to view the phenomenon through the eyes of each of the participants in the study. During the data collection and the analysis process of the study, I was aware of the possibility of integrating personal bias into the study. In my attempt to eliminate any personal bias, I followed the interview protocol for compliance of the proper and consistent steps with all participants to ensure they were all treated the same.

During the interviews, I observed that each participant was very confident about discussing the procedures of the organization that support policies in place. The interview settings allowed the participants to discuss openly some of the strategies used to prevent losses from employee financial fraud in their organizations. I gained a much deeper insight into some of the successful strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. Upon reflecting on the conversations held with all three participants, it was apparent that the three participants possessed a passion for the mission of the organization that they represent. Each participant in this study leads ethically and responsibly by implementing, following, and supporting the (a) policies created to prevent losses, and (b) procedures established and followed to prevent losses. It is my hope that through the findings of this study, I can help business leaders by providing strategies to prevent losses from employee financial fraud.

Conclusion

Ethical leadership is vital to the success and sustainability of organizations. Leaders must lead ethically through their own actions to promote ethical behavior and decision-making by the employees within organizations. Within the 2010-2020 period, there has been an increased focus on ethical leadership. Even though there has been heightened attention to the ethical concept, leaders of business organizations experience financial losses when their employees engage in financial fraud (Chen et al., 2019). According to Johnson, Kidwell, Lowe, and Reckers (2019), those in authority play a vital role in the environment and corporate governance of an organization to prevent fraud by those leading as well as those following. The specific business problem in this study is that some leaders of nonprofit organizations lack the strategies to prevent losses from employee financial fraud. The purpose of this qualitative, multicase study was to explore the strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud.

The research process for the business problem of the study included extensive review of academic literature, semistructured interviews of participants possessing at least 5 years of successful experience in using strategies to prevent losses from employee financial fraud. I used purposive sampling to select three participants from three South Carolina nonprofit organizations. I conducted semistructured interviews with three leaders of three different nonprofit organizations and reviewed organizational documentation in each of the three participating nonprofit organizations. The participants agreed to the study guidelines to participate in interviews; follow up meetings; and provide company information for analysis, such as company policies, financial statements, and other information and documentation important to the study. I analyzed the data using Yin's (2018) five-step process, including the use of methodological triangulation and member checking.

In conclusion, I gained a deeper insight into some of the successful strategies that nonprofit organizations use to prevent losses from employee financial fraud. I reflected upon the conversations with study participants and observed that all leaders spoke with confidence about the organization they represented. I recognized that leader participants led ethically, responsibly, and passionately in their leadership roles to promote the success and sustainability of the organizations. I concluded that all three participants used common strategies to prevent losses from employee financial fraud by creating policies, and establishing and following procedures as successful strategies to promote and support successful businesses.

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Appendix A: Interview Protocol

The purpose of the interview is to explore strategies that leaders of nonprofit organizations use to prevent losses from employee financial fraud. The main research question is: What strategies do leaders of nonprofit organizations use to prevent losses from employee financial fraud? The interview will also consist of six other open-ended questions to gain insights from experienced business leaders of three nonprofit organizations located in Florence, South Carolina. The order of the interview process will be as follows:

Selecting the Participants: I will contact participants by phone or email.

Setting Time and Place for Interview: I will arrange for interviews to be in the participants 'offices.

Greeting and Brief Introduction: I will explain the purpose of the study, give verbal consent, and provide a consent form to each participant.

Recording the Interview: I will audio-record each participants' interview.

Appreciation: I will thank each interviewee in person and send a written thank you card to each participant following the interview.

Transcribing the Interview: I will transcribe each interview and email my interpretation and transcription to the participants.

Member Checking: I will confirm the accuracy of the transcription by contacting each participant.

Appendix B: Interview Questions

1. What strategies did you use to successfully prevent losses from employee financial fraud?
2. How did your employees respond to those strategies?
3. How were strategies to successfully prevent losses from employee financial fraud communicated throughout the organizational ranks and among stakeholders?
4. What modifications did you apply to any strategy to improve its effectiveness in preventing losses from employee financial fraud?
5. What were your key processes for preventing losses from employee financial fraud?
6. Did you encounter any key barriers when implementing strategies to prevent losses from employee financial fraud? If so, how did you overcome the barriers?
7. What else would you like to add about strategies that you used to prevent losses from employee financial fraud?