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Strategies to Decrease Unethical Financial Management Behavior in Nonprofit Organizations

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This is to certify that the doctoral study by

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Abstract

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MBA, Strayer University, 2011

BS, Strayer University, 2007

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Unethical financial management leadership conduct in nonprofit organizations threatens organizational mission accomplishment. Leaders of nonprofit organizations who fail to decrease unethical financial management conduct can observe a lack of mission accomplishment in their organizations. Grounded in the stakeholder and agency theories, the purpose of this qualitative multiple case study was to explore strategies nonprofit leaders use to decrease unethical financial management conduct. Participants were three nonprofit leaders from organizations on the East Coast of the United States who implemented strategies to reduce unethical financial management conduct. Data were collected using semistructured interviews and a review of nonprofit regulatory reporting documents. Through thematic analysis, four major themes emerged: ethical and regulatory reporting requirements, communication and transparency, oversight and governance, and policies, procedures, or protocols. A key recommendation for leaders of nonprofit organizations is to conduct comprehensive reviews of unethical financial management issues and ensure their organizations meet or exceed ethical and regulatory reporting requirements. The implications for positive social change include the potential for leaders to identify strategies to decrease unethical financial management activities; offer solutions that positively affect social accountability; fulfill nonprofit organizations' missions; and improve trust among nonprofit organization leaders, stakeholders, and the communities served.

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Dedication

I dedicate this study to those who contributed to my success along my educational journey. First, my Lord and Savior, Jesus Christ, is my source of wisdom, knowledge, and understanding for every situation and strength to endure every challenge that life brings. To my late grandparents Malachi II (Big Daddy) and Naomi (Big Mama), and my late parents, Malachi III and Ethel, who always believed in me and instilled the grit it takes to push through this educational journey. Either I was very fortunate to have two sets of parents, or it just took that many parents to raise a "Lulu."

To my siblings, whom I love very dearly, our mother had the right idea about the strength and determination needed to love each other through the many challenges that life brings... JALAWAT! To my Aunt Margaret, who set the bar for all of her nieces and nephews to continue their higher education, thank you for paving the way and unselfishly encouraging each of us through every phase of our lives.

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Section 1: Foundation of the Study

Every organization possesses a vulnerability to fraud threat, which affects various aspects of the organization's operations. Nonprofit organizations have a role in sustaining society by increasing inclusiveness, preserving equality, and protecting vulnerable members; however, unethical financial management behavior threatens mission accomplishment (Hornsey et al., 2021). Stakeholders expect nonprofit leaders to fulfill their financial responsibilities and ethically maintain internal controls with the utmost integrity, as their jobs require handling public funds. Nonprofit leaders face scenarios that require ethical choices (in the organization's best interests); however, many nonprofit leaders choose unethical actions, which undermine the organization.

Background of the Problem

Nonprofit leaders must operate ethically and keep stakeholders informed of decisions impacting their organization's final position. The stakeholder theory approach includes stakeholders' need for awareness when management makes important decisions, as their authority creates the proclivity to impact the organization (Boyer et al., 2019; Freeman, 1984; Strang, 2018). Nonprofit organizations depend on public trust to acquire support for their missions. The public's trust may affect donor commitment, support, and bottom-line performance, and financial management includes social accountability, which holds decision-makers accountable for fulfilling their responsibilities (Boydell et al., 2018). Therefore, nonprofit leaders must employ strategic approaches that decrease financial management misconduct. These strategies may serve as practical, experience-based guidance that positively affects social accountability. These strategies may also help fulfill nonprofit organization missions and improve trust between nonprofit leaders, stakeholders, and the community.

Problem and Purpose

Nonprofit leadership financial improprieties threaten organizational mission accomplishment (Hornsey et al., 2021). For example, the U.S. Department of Justice (2021) reported that a former financial professional used Director of Business Operations and Controller positions at two prominent nonprofit organizations to embezzle $1,443,375.57 intended for life-saving humanitarian relief and services for Jewish communities worldwide and local orchestra educational services and initiatives. The general business problem is that some nonprofit organization leaders exhibit unethical conduct resulting in negative repercussions for organizational mission fulfillment. The specific business problem is that some nonprofit organization leaders lack strategies to decrease unethical financial management conduct.

The purpose of this qualitative multiple case study was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. The target population for this study consisted of leaders from three nonprofit organizations on the East Coast of the United States who successfully used strategies to decrease unethical financial management conduct. The implication for positive social change included identifying strategies that nonprofit organization leaders used to decrease the occurrence of unethical financial management activities, offering solutions to positively affect social accountability, fulfilling nonprofit organizations' missions, and improving trust among nonprofit organization leaders, stakeholders, and the communities served.

Nature of the Study

Three methods typically used in research studies are qualitative, quantitative, and mixed research methods (Yin, 2018). Qualitative researchers obtain in-depth knowledge regarding the phenomenon studied with a minimal empirical or theoretical background, whereas quantitative researchers test hypotheses to examine relationships on the significance of correlations among variables and group differences that can influence outcomes (Yin, 2018). A mixed-methods study researcher includes qualitative and quantitative elements in the same study to answer the research question effectively (Rutberg & Bouikidis, 2018). To explore strategies to decrease unethical financial management behavior in nonprofit organizations, I did not test hypotheses as required for quantitative studies or the quantitative part of a mixed-methods study. I conducted a qualitative study for this research. The qualitative approach was appropriate for exploring and understanding strategies through which nonprofit leaders have decreased unethical financial conduct within their organizations.

I explored four qualitative research designs: (a) narrative, (b) phenomenology, (c) ethnography, and (d) case study. A narrative design researcher explores biographical information (Yin, 2016). The narrative design was not applicable because I did not explore the participants' biographic information. I did not explore participant biographies; thus, I did not use a narrative design. Ethnographic researchers explore the life or culture(s) of a group or groups of individuals and are considered suitable to collect data on the group's behavior, experiences, and social phenomena (Argyriadis, 2021). Ethnography was not an appropriate research design for this study, as I did not explore the cultural aspects of individual groups. Researchers who utilize phenomenological design explore how their participants comprehend their life experiences regarding specific phenomena (Urcia, 2021). Phenomenology was not an appropriate design for this study, as I did not wish to explore the meanings of participants' life experiences with the phenomena. Case studies are based on real-life settings and are specific to recounting success stories, and for qualitative case study design, the researcher seeks to explore the contextual framework for the research (Yin, 2018). I chose a multiple case study design for this research because I wanted to identify and explore common approaches that nonprofit leaders use to decrease unethical financial management activities in their organizations.

Research Question

What strategies do nonprofit organization leaders use to decrease unethical financial management conduct?

Interview Questions

1. What strategies have you used to reduce unethical financial management from occurring within your organization?
2. What, if any, motivation strategies have you utilized in implementing ethical financial conduct within your organization?
3. What strategies have worked best for improving the management of processes for controlling and improving financial conduct in your organization?

4. After implementing these strategies to prevent and control unethical financial management conduct, how have occurrences decreased?
5. From your experience, how important were internal control strategies in creating an ethical culture within your nonprofit organization?
6. What additional information would you like to share about strategies used to decrease and control unethical financial management conduct in your organization?

Conceptual Framework

I used stakeholder and agency theories for the conceptual framework of this study. The concepts of these two theories provided a lens to view the case study data, as these theories aligned with the topic of study. Freeman developed the stakeholder approach in 1984, advocating for strategic management within organizational leadership and integrating corporate planning with systems and organizational theory. With stakeholder theory, the researcher analyzes business matters from the principal stakeholders' perspective and focuses on the expected impact on the stakeholders (Harrison et al., 2015). Nonprofit organization leaders are vested in the mission of their organizations and are often the liaison to the board of the nonprofit organization served. Thus, their action or inaction in ethical financial matters may severely impact organizational success. It is essential to focus on issues relevant to stakeholders as the key to an organization's success (Strang, 2018).

Berle and Means (1932) pioneered agency theory based on the divergence of ownership and control among shareholders, directors, and managers, focusing on the plurality of the relationships between these business principals and their respective agents. Agency theory is one of the oldest theories in management and economics literature (Moreira Marques et al., 2022). Finance research is contingent upon agency theory because agency theory can explain the moral discrepancies that result from managers having ultimate control over resources that belong to others (Ibrahim, 2016). Nonprofit organization leaders must develop approaches to avoid the dangers of unethical financial management and focus on strategies to protect the community's interest versus avoiding solutions that reduce their wealth or cater to their self-interests (Ibrahim, 2016). As applied to this study, stakeholder and agency theories helped explain how nonprofit organization leaders address the relationships among the four stakeholder segments to decrease unethical financial management conduct.

Operational Definitions

Financial management: Financial management is a function of management for financial resources decisions, including investment decisions, financial decisions, and funding source selection (Ramírez-Urquidy et al., 2018).

Social accountability: Social accountability transpires when the citizens and civil society expend effort in scrutinizing and holding decision-makers accountable for providing community services and activities as promised (Boydell et al., 2018).

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are presumed, unverified thoughts related to the study (Marhsall et al., 2021). Researchers include their assumptions, which are their preconceived opinions or beliefs, to avoid misunderstandings from the reader regarding statements (Yang et al., 2018). The following assumptions apply to this study: (a) qualitative research is the most appropriate method to gain insight into the participants' experiences, (b) participants honestly revealed their feedback regarding the phenomenon studied during their participation, and (c) participants met the criterion established for participation in the study.

Limitations

Limitations are factors in research that are out of the researcher's control, affecting the study's outcome (Marshall et al., 2021). Possible limitations include the limited number of nonprofit organizations used in this study. Although this study of three nonprofit organizations may be representative of the East Coast of the United States, the findings of this study may not accurately depict strategies utilized throughout the entire United States. Additionally, local nonprofit organization leaders within the United States East Coast may be more willing to participate than national nonprofit organization leaders. However, national nonprofit organization leaders might offer a more in-depth understanding of the phenomenon. Future research may also help determine if the phenomenon of unethical financial management is prevalent in the for-profit business community.

Delimitations

Delimitations are boundaries or conditions imposed by the researcher that detail the scope of the study (Yin, 2018). Researchers use delimitations to establish parameters within a study and to illustrate the restrictions included in the study, including whether or not findings enhance the topic studied (Marshall et al., 2021). The first delimitation was identifying participants within a nonprofit organization who have employed successful strategies to decrease unethical financial management behaviors. The second delimitation was the geographical location of nonprofit organizations on the East Coast of the United States within the nonprofit arena. Another delimitation of the study only included nonprofit organizational leaders. Nonprofit leaders outside these parameters did not have the opportunity to participate in the study.

Significance of the Study

The study findings could be valuable to businesses because a trend of nonprofit leadership exhibiting unethical behavior with no strategies to combat the problem seems apparent. Nonprofit organizations are susceptible to unethical behavior because of a lack of internal controls, and implementing controls helps detect and prevent fraudulent actions quicker (Fish et al., 2021). Some implications of not maintaining control of corporate unethical behaviors may include governance failures, financial, and other scandals. Accordingly, nonprofit leadership should ensure legal purposes in raising funding and nonprofit management employing integrity and transparency, adequately informing donors about organizational governance and the purpose of their donations (Caulfield et al., 2022). Without strategies to combat these issues, nonprofit organizations will likely continue to reap negative repercussions that affect their organizations, and the clients and communities served.

Society trusts nonprofit organizations to protect the public’s interest and exhibit a commitment to ethical practices, accountability, and transparency. Society expresses concerns and higher expectations for nonprofit organizations in cases of unethical moral behavior (Chapman et al., 2021). Thus, nonprofit leaders must commit to full disclosure and ethical performance to recapture the public's trust. By conducting this study, I sought to contribute to decreasing unethical financial management trends as leaders identified and implemented strategies that could lead to the emergence of a new cohort of ethical nonprofit leaders. Leaders may use the various strategies identified in this study as tools to help their organizations run more effectively.

Contribution to Business Practice

Leaders may improve business management as they implement strategies to decrease the likelihood of unethical financial management in their nonprofit organizations. Moreover, nonprofit leaders may use the strategies from this study's findings to develop and implement strategies that deter individuals within their organizations from unethical financial management practices. Increased understanding of the phenomenon of unethical financial conduct may help nonprofit leadership implement strategies to decrease unethical financial management, which may result in increased public trust and financial viability for nonprofit organizations.

Implications for Social Change

Nonprofit organizations are essential to communities as the organizations make valuable products and services available for consumption to those in need. The nonprofit role is to provide services for public benefit with reliance on financial support outside of the organization while having a perception of trust and expectation of honesty (McDonald & Goodman, 2021). However, unethical behaviors of nonprofit leadership impact consumer support for funding these programs. A positive social change could result in nonprofit organizations' benefiting from regaining or increasing support and confidence from all stakeholders, including board members and the community, and improving the scope and quality of services for the individuals and communities that the organizations serve.

A Review of the Professional and Academic Literature

Opening Narrative

The purpose of this literature review was to document the review of scholarly literature sources regarding strategies leaders used to decrease unethical financial management behavior in nonprofit organizations. This review includes the organization of the literature research strategy and a summary of peer-reviewed articles. Researchers use literature reviews on the body of scholarly literature to justify their studies and provide credible evidence supporting their research (Ribenfors, 2020). Various sources give readers a sense of what academic communities learned about nonprofit organizations in developing the literature review. Within this review, I explored published works associated with the doctoral research topic and explored strategies that nonprofit organization leaders used to decrease unethical financial management conduct.

Organization of the Review

The literature review begins with my analysis of the conceptual framework of both stakeholder theory and agency theory and ends with the study topic's main themes and significant elements. The conceptual framework was used as a guide to present a literature review that embodies a vibrant distinction in the existing literature on how nonprofit organization leaders exude management conduct. With this literature, I addressed the benefit of implementing leadership strategies to drive nonprofit organizations to decrease unethical financial management misconduct. Next, I address the strategy for searching the literature. Then, I applied the business problem by incorporating the two theories that built the theoretical/conceptual framework (stakeholder theory and agency theory). The various teachings on stakeholder and agency theories provided insight into the premise of nonprofit leadership's position and competing or opposing views relative to leadership's role in management for nonprofit organizational sustainability. Next, I focus the discussion on rival theories/opponents of the theoretical/conceptual framework. Finally, I discuss other significant elements of the study topic, such as (a) nonprofit organizational structure, (b) nonprofit risk management, (c) social accountability, (d) corporate governance, (e) internal controls, (f) pressures for organizational performance, (g) social change, and (h) strategies to decrease unethical financial management behavior.

Strategy for Searching the Literature

I used key terms including *financial management, governance, internal controls,* and *social accountability* to review relevant academic literature as I gathered information to support this study. I used various academic databases accessible through Walden University's library resources, including EBSCO host, Business Source Complete, Emerald Insight, and Google Scholar, to locate peer-reviewed and other articles as I developed the framework for this study. As delineated in Table 1, I set parameters for peer-reviewed publications between 2018 and 2022 to ensure the source information came from the most recent literature. I minimized the usage of nonpeer-reviewed sources, seminal works, and peer-reviewed publications before 2018. The literature included in this study consists of 101 peer-reviewed articles. I used 89% peer-reviewed sources, with 82% of my sources published in the last 5 years of the expected CAO's approval of my study.

Table 1

Summary of Sources

Resource	Total	Between 2018 and 2022	Before 2018
Government sources	4	4	0
Books & seminal works	8	7	1
Peer-reviewed articles	92	75	17
Websites and non-peer-reviewed articles	10	8	2
Total	114	94	20

Application to the Applied Business Problem

The purpose of this case study was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. A better understanding of the nature of nonprofit misconduct may facilitate designing better controls to prevent future misbehaviors (Lamothe et al., 2022). This study was grounded in stakeholder and agency theories. Both agency and stakeholder theories correlate with increased discrepancies in compensation, as the theories emphasize self-serving financial managers (Till & Yount, 2019). The core of both theoretical perspectives was governance, which explains how decision-making occurs by respective managers, owners, or stakeholders (Squires & Elnahla, 2020). Instead of looking at how governance might enable firms to work with stakeholders to create and distribute economic value, the focus should be on relationships between managers and stakeholders, resolving difficulties in reconciling stakeholder interests (financial or non-economic; Amis et al., 2020). Agency theory ensues when analyzing agency costs with debt and equity financing to provide a foundation to determine how to mitigate agency conflicts between management and shareholders and result in corporate governance implementation to ensure balance (Cole & Schneider, 2020). Principal and agent interests must align to prevent objectionable motivations and behaviors such as excessive compensation and financial management misconduct. Both theories used in proper context with practical strategies to decrease nonprofit management misconduct may empower nonprofit leaders to improve the nonprofit organization environment.

Stakeholder Theory

The stakeholder theory was the seminal work of Freeman (1984). The foundation of stakeholder theory reflected management decisions made in response to stakeholders who have the authority to affect the organization. Leaders are obligated to make their business decisions only based on the desires of their shareholders; however, Freeman (1984) advocated for strategic management within organizational leadership, integrating corporate planning with systems and organizational theory. This stakeholder definition implies shared value and purpose for those in intentional and non-intentional relationships with the organization (such as tax inspectors, regulators, etc.), who are, in fact, stakeholders (Remme & Waal, 2020). Stakeholder theory's development stemmed from observing business and the value creation process for customers, employees, suppliers, and communities. Freeman emphasized the relationship between the organization and stakeholders while introducing stakeholder theory (Fares et al., 2021). Researchers have since advanced opposing opinions to Freeman's views and asserted that corporate leaders must accommodate a broad spectrum of stakeholders and view business matters to enact from the principal stakeholders' perspective, focusing on expected impacts on stakeholders (Harrison et al., 2015). The stakeholder theory highlights management decisions and stakeholders' effect on the organization (Strang, 2018).

Many nonprofit organization leaders rely on innovations in their operations to survive the global crises, encompassing turbulence from fiscal, economic instability, natural disasters, and terrorism. The traditional view of firms (primary input from shareholders and employees) contrasts output/customer flows with the stakeholder model (2-way flow between firm and shareholders; Squires & Elnahla, 2020). Since accountability and performance measures vary, nonprofit organizations seemingly use various monitoring reflective of their leadership's competencies versus the organizational mission. Integrating best practices into daily organizational operations might help prevent detrimental ethical lapses, and ethical frameworks might become the governing ethos rather than severe constraints of an organization. For example, seven out of nine United Nations nonprofit capacity-building Centers for Financial Stability studied displayed similar best practices at a practitioner level in accountability, ethics, leadership, planning, procedures, training, innovation, and many other critical success factors (Strang, 2018). There were only minor variances in commercial business and nonprofit organizations due to shared commonalities in collecting valuable behavioral data from clients and stakeholders and providing essential product/service provisioning opportunities.

Business and public policy use stakeholder theory to guide decisions, although no consensus exists regarding the general applicability of the theory (Barney & Harrison, 2020). Managerial discretion is necessary to balance diverse constituency interests concerning the lack of governance (Molk & Sokol, 2021). Limited managerial discretion determines an organization's responsibility to the stakeholders; however, since normative stakeholder theory prescriptions are explicit, social scientists cannot move forward with testing stakeholder theory in a moral vacuum (Barman & Johnson-Cramer, 2019). Normative prescriptions of stakeholder theory focus on reality about business practice if remedies relate to desired managerial behavior change. Leadership promoting positive behaviors toward other organizational stakeholders and adopting positive behavioral changes might lead to better, socially responsible outcomes.

Stakeholder theory includes multifaceted assertions in the realm of business ethics. Normative stakeholder theory includes arguments regarding right and wrong management behaviors, whereas instrumental stakeholder theory regards stakeholder interests as an avenue for profit maximization (Jahn & Brühl, 2018). Ferrary (2019) applied complex network theory to the traditional stakeholder theory, enabling scholars to describe specific networks of stakeholders as separate stable systems occasionally destabilized by calling them systemic shocks, explaining the drivers for corporate political strategies. In light of this contextual viewpoint, stakeholder saliency relates to firm resource legitimacy, dependence, and urgency (Ferrary, 2019). Stakeholders' salience relates to the degree to which managers prioritize stakeholder claims relative to their decision-making.

Agency Theory

Berle and Means (1932) pioneered agency theory based on the divergence of ownership and control among shareholders, directors, and managers, focusing on the plurality of the relationships between business principals and their agents. The moral tenets of agency theory also present a target for theorists concerned with ethical deficits in the business field. Generally, the agent has more information than the principal, which leads to opportunistic behavior (Rouault & Albertini, 2022). Agency theory derives from the contractual relationship between the principal, empowering the agent to manage the organization on the principal's behalf (Moreira Marques et al., 2022). Each party has different interests and goals; nevertheless, the principal delegates control but depend on the agent for services and information. An internal auditor's competency and ability to meet code of ethics requirements can be explained and predicted using agency theory (Alias et al., 2019). The manager is privy to information about the business and might misuse company resources for personal gain. Control mechanisms are needed to prevent this problem and control management's behavior.

Other ethical considerations in agency theory include the behavioral aspects perceived as related to nonprofit performance. For example, some leaders might describe unethical financial misconduct as an isolated incident or the transgression of a rogue employee. Employees may view evasive hiding, playing dumb, and rationalized behaviors as acceptable in functional job performance (Khoreva & Wechtler, 2020). A paradoxical belief regarding managerial opportunism (related to agency theory) might influence how principals view agents and describe managers' propensity to perpetrate financial crimes (Dion, 2016). Hence, monitoring agency expenses are required to ensure executive interests align with shareholders' interests. Successful nonprofit organization environments are collaborative, trusting, and benefit the community; furthermore, external audiences view professional practices as credible signals of quality from a principal-agent perspective (Kennedy, 2018). The principal-agent problem occurs because financial decisions made by the agent affect the principal, and differences in priorities and opinions might arise.

Proponents of agency and stewardship theories emphasize relationships between principals and agents but on different assumptions. With agency theory, there lies an assumption of goal conflict between the principal and the agent, and in stewardship theory, there lies an assumption of compatible or aligned goals (Van Puyvelde et al., 2012). Accordingly, a standard of moral duties and obligations is necessary due to the potential for principal-agent differences based on their interests. Leaders should seek to understand which mechanisms in their work environments create principal-agent problems, as differing interests may create conflict. Control mechanisms, as part of check and balance, may reduce the principal-agent agency conflict while achieving organizational objectives in a costly manner (Rashid, 2015). Agency theory challenges include influencing agents to set aside their self-interests.

Nonprofit organizations require leadership support in setting the bar and enforcing sound ethical practices. Many organizations (for-profit and nonprofit) implement procedures and mechanisms to establish consistency and ensure that employees comply with the organization's compliance systems (Teichmann, 2019; Weber, 2021). Organizations should impose consequences for non-compliance, reward employees for compliance, and provide incentives for whistleblowing to help solidify additional control mechanisms. Without active support for ethical practices and compliance systems to detect questionable practices, individuals within the organization might react to contextual forces and resort to unethical practices, including unethical financial management misconduct.

Rival Theories/Opponents of the Theoretical/Conceptual Framework

The conditions surrounding committing unethical financial management misconduct or fraud presented the opportunity to examine various conceptual frameworks, one being the fraud triangle. Cressey (1973) studied criminology and developed the fraud triangle theory to explain circumstances that might lead an individual to commit fraud. Cressey founded the fraud triangle theory, composed of three contributing components (incentive/pressure, attitude/rationalization, and opportunity) that increase the risk of fraud (Crumbley & Fenton, 2021). These factors influence fraud risk, specifically causative to incentive/pressure as characteristic in the fraud triangle. Bearing significant responsibilities without perceived adequate compensation creates an attitude or rationalization in the fraud triangle. Moreover, ineffective performance monitoring contributes to opportunities in the fraud triangle.

The fraud triangle was relevant to the study's conceptual framework; however, not used to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. There are three critical elements in the fraud triangle theory: a perception of pressure, the opportunity, and rationalization, and all three parts present consecutively might be used to commit fraud (Owusu et al., 2022). Organizations with the three factors are likely to experience fraud; however, the absence of the three factors is not an indicator that fraud does not exist (Crumbley & Fenton, 2021). The components of the fraud triangle theory did not entirely align with the study's conceptual framework. One common thread between the fraud triangle, agency, and stakeholder theory is the situational and psychological factors that may present leadership risk in acting in self-interest. As an alternate theory to stakeholder and agency theories, fraud triangle theory is more relevant to the premise of the perpetrator’s relationship to the fraudulent behavior; whereas agency theory enacts divergence of ownership and control with a focus on the plurality of principal and agent relationships (Berle & Means, 1932). And stakeholder theory offers that those in authority should make business decisions to affect the organization and based on an organization’s shareholders (Freeman, 1984).

Qualitative researchers explore a specific business problem through the conceptual lens they choose to view the phenomena. Stakeholder and agency theories were the most appropriate models to use as a conceptual lens to view the business problem that some nonprofit organization leaders exhibit unethical conduct resulting in negative repercussions for organizational mission fulfillment. Specifically, some nonprofit organization leaders lack strategies to decrease unethical financial management conduct. Researchers exploring strategies to decrease unethical financial management misconduct might uncover a competing conceptual framework: stewardship theory.

Stewardship theory is an opposing theory to stakeholder and agency theories. When no conflict exists (e.g., agency problem) between organization managers and stakeholder goals does not exist (Donaldson & Davis, 1991). Conversely, stewardship theory invokes when management behaviors align with principal interests. With agency theory, individuals act in self-interest and behave opportunistically whenever their interests deviate from principles (Chrisman, 2019). Thus, with stewardship theory, leaders might act in stakeholders' best interests simply because they desire to protect the resources entrusted to them.

This paragraph concludes the literature review of rival theories and opponents of the conceptual framework. The conceptual framework reveals the context influencing nonprofit agency and stakeholder approaches, roles, and relationships within the conceptual framework of this study. The analysis also reveals alternate and opposing theories that may have commonalities; however, they do not support or align sufficiently to use for this study. This literature review section covers views from theorists and scholars relative to the conceptual framework and existing body of knowledge regarding strategies to decrease unethical financial management behavior in nonprofit organizations. The following literature view sections contain themes developed in researching the study topic relative to the conceptual framework.

Nonprofit Organizational Structure

The organizational structure and purpose of nonprofit or not-for-profit organizations determine the entity organization as tax-exempt, private, or public organizations. Nonprofit organizations are a broad category of entities, and the Internal

Revenue Service (IRS) categorizes tax-exempt organizations into thirty-seven classifications (Internal Revenue Service, 2022a). There are many possible combinations and orientation dimensions of nonprofit organizations characterized by four functions, including (a) values and faith, (b) service delivery, 3) social entrepreneurship, and (c) political engagement (Daniel & Fyall, 2019). Nonprofit organizations are not permitted to dispense profits to their owners; the profits must stay within the organization for explicit use for the mission of the nonprofit (Wolf, 2018). A U.S. public, Section 501(c)(3), tax-exempt nonprofit organization business serves a nonprofit mission and purpose as defined by the IRS, and the IRS 501(c)(3) status enables nonprofit organizations to obtain tax-deductible contributions from the donors (Internal Revenue Service, 2022a). Thus, for this study, I explored strategies used by leaders from the U.S. public, Section 501(c)(3), tax-exempt nonprofit organizations to decrease unethical financial management conduct.

For nonprofit organization leaders, identifying possible funding sources may be somewhat challenging. U.S. nonprofit organizations organize under state law, apply for tax-exempt status with the IRS, and receive much of their funding from donations and public grants; private nonprofit organizations have minimal funding sources for families or corporations (Wolf, 2018). The 501(c)(3) tax-exempt classification includes nonprofit organizations that range from soup kitchens to universities to recreation sports groups and includes interactions between stakeholders and provides value expressions through the commitment of time, money, or program involvement attached to contributions (Daniel & Fyall, 2019). Nonprofit organizations receive their tax-exempt status in return for creating and delivering social value (Gamble & Munoz, 2022). Support for nonprofit organizations may vary depending on the purpose and mission of the organization, and stakeholders want to know about the appropriate allocation and management of their donations.

Nonprofit leaders must provide all stakeholders with access to financial data to understand the income and support received from the organizations. Nonprofit management utilizes financial data for planning and fiscal management; donors and other stakeholders use financial management data to measure management performance and understand the financial health and stability of the nonprofit organization. Organizations known to have misconduct deviate considerably from those without misconduct in structural aspects such as independent boards and having formal processes for evaluating CEO compensation (Lamothe et al., 2022). Leaders who fail in implementing systems that facilitate ethical financial conduct share responsibility with persons who knowingly execute unethical financial management misconduct. Responsibility for financial management data makes nonprofit leaders face unique challenges, including balancing the stakeholder needs with organizational needs. If donors perceive any misconduct, mismanagement, or financial issues that may negatively impact the organization, they often pull their support (Boydell et al., 2018). Nonprofit leaders must act as good stewards of the nonprofit organizations' contributions and resources.

Nonprofit Risk Management

Risk management assessment is integral to the business environment, including nonprofit organizations. Managing uncertainties and managing those risks may reduce the negative consequences of specific risks. The primary type of misconduct identified is financial (i.e., misusing assets for personal gain, excessive compensation, expenditures, improper investments, etc.) (Lamothe et al., 2022). Financial management risks may negatively affect nonprofit organizations' monetary assets and reputations. Woodroof et al. (2021) identified nonprofit funding sources' uncertain and volatile nature as a motivator to mitigate quality risks to allocating and managing scarce resources efficiently. Many organizations take measures to identify and assess risks in terms of importance and the probability of their occurrence, mitigating risks by utilizing management techniques. An overall absence of credible nonprofit performance data exists, which significantly impedes assessing nonprofit organization effectiveness with objective performance indicators as a basis (Mitchell, 2018). Risk mitigation is a matter of institutional design since leaders may exploit information asymmetry for their gain and assert a need for organizational surveillance to focus on discovering and avoiding resource diversion and inappropriate risk-taking (Mitchell & Calabrese, 2019). Legal stakeholder theory explicitly distinguishes variable risks taken by various firm stakeholders and suggests that corporate profit distributions should reflect variable investments instead of accruing to shareholders (Palladino, 2022). Accordingly, increased external monitoring may decrease the probability of misreported financial information in nonprofit organizations (McDonald & Goodman, 2021. Assessing nonprofit risks helps organizations know what bases to cover and where vulnerabilities exist.

Social Accountability

Nonprofit organizations rely heavily on public trust to support their missions. Confidence in a nonprofit's mission may affect many aspects of the organization, from donor commitment to bottom-line performance, as the mounting evidence regarding the impact social accountability makes when citizens have the opportunity to oversee leadership via independent monitoring and actions (Boydell et al., 2018). Thus, the importance of earning the public's trust through demonstrated commitment to ethical principles and practices through social accountability exists. The provision of resources typically aligns with the public confidence of an organization.

The nonprofit environment emphasizes effective design and implementation of policies to improve efficiencies and reduce their organizations' misconduct. Financial scandals such as those in the televangelism world, United Way of America, and many high-profile nonprofit misconduct cases lead to increased regulatory emphasis and ethical codes (Bromley & Orchard, 2016). Furthermore, the enactment of the Sarbanes-Oxley Act (SOX), Enron, and Tyco scandals caused the U.S. Congress to seek the implementation of ethical codes by senior financial officials; nonprofit organizations voluntarily comply with ethical standards without enforcing such codes (Bromley & Orchard, 2016). In response to these pressures, theorists adopted sociological institutionalism as a differing view of ethical codes or codes of conduct (Bromley & Orchard, 2016). The increase in social accountability among nonprofit organizations reflects regulatory pressures and accountability in the nonprofit sector. When citizens are empowered to oversee leadership and participation in processes, they form direct relationships that solidify and establish trust with nonprofit organizations. There is a broader context in pathways of accountability, which includes a recount of the implementation of activities revealed various accountability relationships, including society empowerment ranging from participation in the institutional process to direct connections (Boydell et al., 2018). Social accountability also encompasses social performance expressed in various ways based on multiple aspects such as context, motivations for implementing reporting systems, how many stakeholders are involved, and whether such accountability is external or internal (Rouault & Albertini, 2022). To decrease unethical financial management, nonprofit leadership should examine the impacts of social accountability and employ strategic approaches to empower and engage citizens and allow accountability that provides synergy and closes some of the gaps that impede nonprofit financial management performance.

Nonprofit organization leaders face challenges that include demands for accountability to stakeholders based on various aspects of the financial operations. Voluntary accountability exhibited by nonprofit organizations exemplifies quality and trustworthiness; nonprofit organizations nonconforming to quality and transparency principles attain lower perceived quality, reputation, public trust, and donation behavior (Becker, 2018). Accordingly, the absence of credible nonprofit performance information impedes efforts in evaluating organizational effectiveness using objective performance indicators (Mitchell, 2018). Maintaining trustworthiness remains essential to nonprofit accountability and financial management. Specifically, corporate surveillance and material attention focused on discovering and avoiding the appearance of inappropriate risk-taking, such as high debt and revenue concentrations, and resource diversion, such as excessive overhead, accumulating reserves, and debt service (Mitchell, 2018; Mitchell & Calabrese, 2019). Accountability relates to nonprofit organizational mission, purpose, and public trust.

Generally, nonprofit leaders following best practices are considered less likely to engage in unethical management practices. Therefore, the risk should be lower than nonprofit organizations that do not implement best practices, such as ethical standards and financial transparency. Voluntary accountability exhibited by nonprofit organizations ensures organizational adherence to standards beyond legal requirements (Becker, 2018). Nonprofit organizations with below industry average expense ratios obtained lower public ratings, incited criticism, negative publicity, reputation decline, and funding stream damage (Mitchell, 2018). In contrast, well-managed nonprofit organizations that meet or exceed industry benchmarks make adjustments to ensure that their measures fall within ranges of normality (Mitchell, 2018). Nonprofit organizations are accountable for establishing criteria that clearly define performance levels and providing results to the public.

Corporate Governance

Governance is the exercise of controlling rights held by a board of directors with members elected by the organization’s shareholders (Feils et al., 2018). Corporate governance is required in nonprofit organizations to balance stakeholders' interests with the community’s best interests. Existing nonprofit governance presents many challenges, including the weak policing of the governance and undermining of the legal essence of a nonprofit organization (Molk & Sokol, 2021). Accordingly, the lack of accountability to the root of unethical financial management behaviors (Pilon & Brouard, 2022). This support may assist in finding the right balance of authority which is essential to the viability of nonprofit organizations.

Corporate governance should include awareness and adherence to stakeholder rights. The stakeholder theory perspective has diverse corporate governance systems dependent on the constraints imposed by national governance systems; therefore, no systematic relationship should develop between governance and the organization's performance if federal controls are employed (Feils et al., 2018). Performance support and periodic reviews on accountability as measures to improve leadership behaviors (McDonald & Goodman, 2021). When leaders set and maintain a sense of purpose and direction for their nonprofit organizations and positively influence the community, enhanced leadership accountability and practices validate their progress in balancing authority.

Organizational leaders use ethical codes as vehicles for achieving sustainable business practices, as these codes help clarify expectations. Qualified internal auditors with experience, knowledge, and understanding of the company's code of ethics and internal and external processes could help safeguard company assets and serve as a line of defense in detecting and preventing fraud; therefore, a code of ethics may provide a foundation for sustainability (Alias et al., 2019). A code of conduct positively affects individual and organizational ethical attitudes and behavioral intentions. Employee learning processes might strengthen their ethical norms, and combining principles from legal compliance and corporate governance may help define organizational interests while stipulating ethical criteria for employees (Thaler & Helmig, 2016). Nonprofit organizations require strict economic measures, corporate governance procedure reviews, and training on ethical decision-making to address environmental and social equity sustainability issues. Therefore, applying ethical codes from legal compliance and corporate governance may contribute to decreasing unethical financial management conduct.

Internal Controls

Internal controls are management tools for ensuring the security of assets, reliable and truthful information concerning financial data, and objectivity in production and operating activities regardless of accounting methods and processes (Yu & Xu, 2018). Congress addressed some of the challenges of managing internal controls in passing SOX to curtail accounting fraud and create transparency in financial reporting from public companies (Ahluwalia et al., 2018). SOX (named after Senator Paul Sarbanes and House Representative Michael Oxley) has raised the bar by establishing new standards of financial accountability (Carnes et al., 2019). Many of the provisions contained in SOX transpired to avert the type of misconduct that led to the destruction of Enron, WorldCom, and a significant number of restatements made by companies (Ahluwalia et al., 2018). Accordingly, the embarrassing corporate transgressions and implementation of SOX have created a requirement for checks and balances that both nonprofit and for-profit organizations should implement to reduce the risk of unethical financial management by accurate reporting, best compliance practices, and codes of ethics

(Carnes et al., 2019). Financial management practices, when systematically used, are deemed as internal controls.

The focus on internal controls heightened with SOX. At the onset of SOX 406, many organizational leaders did not possess the expertise to develop effective codes of ethics; however, the requirement for a financial code of ethics signaled that principles and values might serve as buffers to prevent financial manipulation and misconduct (Ahluwalia et al., 2018). Management-designed processes, policies, and procedures ensure reliable financial preparation and reporting per the organization's accounting framework as internal controls (Herawaty & Hernando, 2021). There is a need for nonprofit organization leaders to implement governance, controls, and cultural mechanisms to prevent unethical occurrences and identify and manage vulnerabilities (Hornsey et al., 2021). Adequate internal control structures help managers achieve practical, efficient operational objectives for reliable financial reporting and compliance.

Internal control structures also help organizations mitigate risks. Nonprofit organizations need vigorous internal controls to minimize fraud (Applegate, 2019). In a study on nonprofit leadership reactions to accounting and internal control errors and deficiencies, accounting errors were noted as a more visible indicator than control deficiencies because only nonprofit organizations receiving a significant amount of federal funds submit reports (Burks, 2018). From cash theft to a range of financial fraud risks, these organizations, the nature of a trusting environment, lack of financial acumen, and the failure to oversee financial matters intensely increase the potential for fraud

(Applegate, 2019). Thus, nonprofit organizations are at risk when proper controls are not present.

Risks, compliance, and controls are often drivers for internal control audits. The demand for more audits with different characteristics resulted from SOX and the mandate for all accelerated tax filers to implement audits simultaneously; however, many difficulties exist in determining if investors create a demand (Carnes et al., 2019). The presence of an audit committee within the corporate governance structure influences auditing processes and policies, improving disclosure activities and promoting the dissemination of higher quality information (Fish et al., 2021). Donations decrease following errors and deficiencies disclosures, and investors pull back when they become aware of internal control audit exclusions for acquired operations, creating uncertainty regarding company values (Burks, 2018). Documented controls will help nonprofit organizations deter fraud, safeguard assets, and maintain their accounting records' propriety if applied appropriately (Applegate, 2019). Data collected from nonprofit board member interviews revealed a correlation between the perceived value of error-free reporting and demonstrated organizational trustworthiness and competence (Burks, 2018).

SOX implementation is a driver for improvement in financial reporting for many firms. After researching, tracking firm adoption, and measuring organizational outcomes from implementing SOX Section 406, there is a question of whether the corporate code of ethics for financial officers positively affected behavior or merely met the minimum compliance standards (Ahluwalia et al., 2018). These standards define the ethical expectations for employees, and those in leadership set the protocol for ramifications of any violations or misconduct.

Pressures for Organizational Performance

Nonprofit organization performance often indicates excellent financial performance, and stressful performance and compliance strategies may have the propensity to overshadow integrity initiatives in the nonprofit operating environment. Ethical practices play a positive role in achieving successful organizational performance (Waheed & Zhang, 2022. Nonprofit literature includes a growing body of research in finance and accounting, where nonprofit stakeholders use accounting information for investigating performance-related matters and nonprofit capacity (Faulk & Stewart, 2017). Nonprofit organizations experience challenges operating in competitive environments, including competition for funding and increased attention to performance, such as quality service and delivery and customer satisfaction (Persaud, 2021). Nonprofit financial measures of efficiency and effectiveness focusing on economic growth can be used as an output indicator for financial capacity improvement and as a tool for understanding whether the capacity building is relevant in organizational effectiveness or sustainability (Faulk & Stewart, 2017). A primary feature of successful nonprofit corporate design includes risk mitigation that nonprofit leaders may take advantage of information asymmetry for their gain (Mitchell and Calabrese, 2019). Difficulties attributed to a decline in financial growth and potential stress in maintaining programs impede achievement of nonprofit organizational goals (Faulk & Stewart, 2017). The impetus for effective financial management is vital to funding competition, sustainability, and survival of nonprofit organizations (Persaud, 2021), and could negatively affect nonprofit capacity in strategic decision-making. These pressures may influence misconduct from leaders who desire the organization to succeed at any cost.

Pressures for performance, efficiencies, program maintenance, and organizational goal achievement may result in undesirable management practices. Accordingly, ethical, cultural practices are essential to the organization's success and strengthen corporate social responsibility relationships and competitive organizational performance (Waheed & Zhang, 2022). Although determinative of the operating environment, the nonprofit organizational performance includes management practices and pressures for efficiencies. Most nonprofit organizations depend donations and government funding to support the services they provide to the public. And during stressful periods such as the COVID-19 pandemic, the need become more critical even though the funding streams are more stressed (Johnson et al., 2021). Nonprofit organizations should look for ways to prevent leadership from reacting to contextual forces that result in questionable behaviors, carelessness, or intentional wrongdoing. Furthermore, if organizations do not clarify the perimeters of ensuring organizational performance, leaders are left to chart their course based on their interpretation. Thus, there is a need for support for ethical practices and tools to decrease financial management misconduct.

Social Change

Social change encompasses significant alteration in social direction relative to behavior patterns and cultural cadence, thus yielding a profound societal transformation. Social change occurs when events in the societal transformation alter the normative constructs or impends a group’s cultural identity (Tanno & Banner, 2018). Positive social change is affected when servant leaders empower and foster personal and professional growth in their followers, and in turn, the followers become servant leaders (Tanno & Banner, 2018). As a result of this nurturing, followers of servant leaders grow and help the organizations grow.

Nonprofit organizations with diverse organizational structures, regulatory or governance systems depend on financial resources to operate; however, they do not seek profit maximization but prioritize or assert their primary focus on achieving positive social change (Aschari-Lincoln & Scheck, 2022). Collaboration present in most nonprofit configurations suggests that service commitments to the needy and networking with other nonprofits are crucial elements for nonprofit organizations to advocate more for social change (Zhang and Guo, 2021).

Ethical Considerations

Scandals continue to erupt in nonprofit organizations revealing a lack of ethical decision-making by many in senior leadership. Those in leadership positions assume blame when scandals break because of their responsibility to make and apply the best possible decisions for the organization (Aubé et al., 2021). Documented evidence exists regarding leaders who failed their institutions, stakeholders, and communities because of a lack of ethical, effective leadership (Tanno & Banner, 2018). Ethical leadership can foster an atmosphere of positive nonprofit firm performance. Ethical decision-making in organizations affects positive social change by building community and organization; therefore, ethical leadership and firm performance promote ethical decision-making at all organizational levels (Tanno & Banner, 2018). Ethics and integrity are essential to effective leadership and building a team. Sound ethical practices and solutions determine a structured, systematic, ethical decision-making process when ethical challenges ensue (Bush, 2019). The capability for effective service and fostering trust is contingent upon ethical leadership, as the public's trust may affect donor commitment, support, and bottom-line performance (Boydell et al., 2018). Some elements of service provision logic in the nonprofit structure include providing and delivering services to improve the community and reducing the government's burden on service provisions (Beaton et al., 2021). Positive social change may result from regaining community support by exhibiting ethical leadership, which may improve the quality of services for those individuals and communities that nonprofit organizations serve.

Nonprofit organizational leaders face unethical financial management behavior issues, and they can learn from others who have implemented strategies on how to best approach these types of situations. Fostering an environment of ethical business decision-making is essential to the effective control of financial resources in a nonprofit organization. Also, implementing the proper checks and balances can help leaders ensure appropriate handling of unethical financial misconduct. Agency theory occurs when unethical management behaviors result from managers controlling other individuals' resources and responsibilities (Ibrahim, 2016). The liability involved in regulating other's resources may result in consequences, specifically, the effect on a manager's decision-making and how the organization would suffer if decisions have the propensity to reveal failures or adversely affect their reputation. Woodroof et al. (2021) conducted a study of nonprofit leaders to identify the most critical factors driving nonprofit organizational quality and list organizational transparency as the number two areas impacting performance in financial stability and mission success. Nonprofit leaders must foster transparency and openness and implement strategies to decrease unethical financial management behavior.

Strategies to Decrease Unethical Financial Management Behavior

Nonprofit organizational leaders face unethical financial management behavior issues, raising questions on whether they can learn from others who have implemented strategies to best tackle these types of situations. Berle and Means (1932) pioneered agency theory, which focused on the plurality of the relationships between business principals and their agents. Theorists such as Ibrahim (2016) viewed agency theory as when unethical management behaviors result from managers controlling other individuals’ resources and responsibilities. Agency theory should reflect a broader perspective on the whole person's needs regarding their life journey (Till & Yount, 2019).

A degree of liability exists in controlling others’ resources. There is a need to align self-interest in making deceptive, self-interested decisions and performance based on organizational interests (Khoreva & Wechtler, 2020). Freeman (1984) produced a stakeholder theory approach advocating for strategic management; however, a stakeholder theory approach for business matters enacts from the stakeholder’s perspective based on how issues affect the stakeholders (Harrison et al., 2015). Nevertheless, fostering an environment of ethical business decision-making is essential to effectively controlling financial resources in a nonprofit organization.

Other theoretical perspectives, such as public perception and support, present yet more challenges to nonprofit leadership. When organizations practice transparency, they attain a competitive advantage due to the organization's perception of integrity and quality (Woodroof et al., 2021). Conversely, if the public perceives an organization has unethical financial management misconduct, they will often withdraw their support (Boydell et al., 2018). Thus, nonprofit leaders must act as good stewards of the nonprofit organizations' contributions and resources. Theorists expressed a need to improve corporate governance balance by analyzing agency costs against debt and equity financing as a foundation for mitigating agency conflicts between management and shareholders (Cole & Schneider, 2020). Therefore, implementing the proper governance to include checks and balances can help leaders ensure appropriate handling of finances and decrease unethical financial misconduct. These studies together confirm that nonprofit leaders must foster transparency and openness and implement strategies to decrease unethical financial management behavior.

Transition

Section 1 of this study consisted of the background of the study, the problem statement, the purpose statement, the nature of the study, the research question, the interview questions, the conceptual framework, the operational definitions, and the significance of the study. The purpose was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. This section also included the professional and academic literature review. The literature review included a summary of previous research supporting nonprofit organization leaders' need for adapting strategies to decrease unethical financial management. The literature review comprised main themes significant to the conceptual framework: nonprofit organizational structure, nonprofit risk management, social accountability, corporate governance, internal controls, pressures for organizational performance, and social change. This study was limited to finding concise, proven strategies from nonprofit organization leaders that future nonprofit leaders may utilize to improve ethical financial management within their organizations. These strategies may serve as tools that answer the general business problem of nonprofit organization leaders exhibiting unethical conduct. Implementing these strategies may provide organizational mission fulfillment in the nonprofit community, resulting in a decrease in this problem. Implementation of these strategies may also improve trust among nonprofit organization leaders, stakeholders, and communities.

Section 2 includes detailed information regarding guidelines for the role of a researcher during the interview and data collection process and adherence to the prescribed ethical assurances. This section also consists of the research methodology and research design chosen, which are most appropriate for exploring strategies that nonprofit organization leaders use to decrease unethical financial conduct and promote positive change or improve existing ethical practices in nonprofit organizations. This section also includes a detailed discussion regarding the adherence to ethical research strategies based on the Belmont standard to establish the study credibility of the study's findings.

Section 3 will include an introduction, a review, a summary of the purpose of the study, and the study findings. I will provide a discussion on the details of how this study applies to professional practice. Moreover, my discussion will include the findings, implications regarding social change, my reflections, and my recommendations for implementing strategies to decrease unethical financial management and suggestions for future academic research. Finally, Section 3 will include my conclusion that grasps the essence of this study - specifically, a summary discussion and a reflection on my doctoral study process.

Section 2: The Project

Section 2 details the tasks involved in conducting this study. This section of the study includes reiterating the purpose statement for the study, detailing the role of the researcher, and information regarding the participants chosen for the study. This section also provides information on the method and design selected for the study, information on the population and sampling selected within the nonprofit arena, information on ethical research, such as ethical considerations taken, data collection information, techniques, and organization used for the study. The section ends with details of the data analysis process employed in this study, information on reliability and validity instruments selected for this study, and transition and summary of this section.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. The target population for this study consisted of leaders from three nonprofit organizations on the East Coast of the United States who successfully used strategies to decrease unethical financial management conduct. The implication for positive social change includes identifying strategies that nonprofit organization leaders used to decrease the occurrence of unethical financial management activities, offering solutions to positively affect social accountability, fulfilling nonprofit organizations’ missions, and improving trust among nonprofit organization leaders, stakeholders, and the communities served.

Role of the Researcher

There are various responsibilities as a researcher, including collecting data and adhering to prescribed ethical assurances (Yin, 2016). As the researcher and primary data collector, I employed a systematic approach in collecting, analyzing, and reporting the data collected. I used an ethical and transparent process free from prejudice and biases related to the participants or study topic. Moreover, the researcher must identify consistencies or inconsistencies in interpretation by employing triangulation to understand the data while mitigating bias (Marshall et al., 2021). I employed several practices to mitigate potential bias, including conducting semistructured interviews using an interview protocol as prescribed in Appendix A, achieving full data saturation, and conducting member checking.

My association with the research topic comprises many years of serving as Chairman of the Board for a nonprofit organization. I have served for more than 20 years with an organization that provides job opportunities for individuals with disabilities. One of the primary responsibilities is to ensure that the organization has a formal plan to reduce and mitigate the organization’s propensity for demonstrating unethical behaviors. For this study, selecting nonprofit organizational leaders who have successfully used strategies to decrease unethical financial management conduct served as the pool for participants. As I obtained cooperation from these leaders, using an email request to participate in interview (Appendix B), I solicited their successful strategies and treated them as subject matter experts on the topic while making no assumptions based on my knowledge and experience.

I adhered to the ethical standards prescribed in the *Belmont Report* (National Commission for the Protection of Human Subjects and Biomedical and Behavioral Research, 1979). The *Belmont Report* standard includes ethical research practices to have informed consent and respectful treatment regarding human subjects (National Commission for the Protection of Human Subjects and Biomedical and Behavioral Research, 1979). This standard also includes a requirement that, as the researcher, I provide assurances that I am not benefiting personally from said research. Respect for persons, justice, and beneficence are ethical precepts of the *Belmont Report*, and their implementation guidelines are necessary and adequate for governing moral conduct in human subject research (Adashi et al., 2018). In adherence to the Belmont standard, I laid aside any self-interests and made every effort to explore without a biased mindset that may have skewed the research results.

The researcher's role entails collecting the data and guiding the participants while maintaining objectivity to identify and eliminate personal biases during the interview process (Marshall et al., 2021). To remain objective, I limited questions to those included in the interview protocol. During the qualitative research process, the prearranged questions capture the participants' perspectives concerning their individual experiences (Yin, 2018). I remained mindful of the potential for bias, kept an open mind during the process, and ensured there was no chance for potential conflict of interest. Researchers may decrease biases by being open to other viewpoints expressed by the participants (Yin, 2018). I also did not gather data from nonprofit organizations for which I have vested interests, nor did I collect data from those I have professional or personal relationships.

To reduce personal bias, I used bracketing and member checking. Qualitative researchers use member checking to avoid personal bias in sharing interpretations of analyzed data with their participants to ensure accuracy (Brear, 2019). Researchers support the quality of case study research by consciously bracketing their views, as they ascribe their focus to the study and understanding participant perspectives (Yin, 2018). The bracketing process enabled deeper reflection and facilitated better judgment while mitigating unacknowledged personal emotions or preconceptions.

The rationale for using an interview protocol (Appendix A) was to guide the process of collecting data from participants with consistency, ensure alignment with my research topic, gather insight on the study topic, and ensure accuracy and quality in the interview data. Interviews should progress as open-ended and conversational following an established protocol (Yin, 2016). An interview protocol was essential in determining quality and accuracy in interview data, and the following interview protocols might improve data collection quality (Marshall et al., 2021). I used the interview protocol (Appendix A) as a guide for conducting the interviews. I followed recommendations to (a) communicate the purpose of the study to assure that the subjects understand the purpose of the study, (b) field test the questions before the study to assure validity, and (c) prompt participants by asking them open-ended questions to seek clarity and completeness in understanding their answers without coercing responses (Marshall et al., 2021).

Participants

Participants for this study consisted of three nonprofit organizations located on the East Coast of the United States. The participant selection criteria include leaders who successfully used strategies to decrease unethical financial management conduct. The participants' organizations possessed an official designation as a nonprofit organization under the IRS Code and operated for at least 5 years. Research eligible organizations contained characteristics appropriately aligned with the study, as participants represented a larger group (see Yin, 2018).

Increased access to prospective subjects can be done by using diverse approaches such as various samplings, face-to-face meetings, and fostering trust-building in the community (Windsong, 2018). My connection within the nonprofit network at the time this study was conducted was through the nonprofit agency where I served as Chairman of the Board for many years. This connection was an environment for attaining purposeful samples from member participants. This network of nonprofit agencies publishes a public directory annually that allowed access to member participants. Although I used other sources, this directory served as a significant source because the target population for this study was determinative of my capability to interact with the nonprofit community.

Because researchers are responsible for obtaining consent from prospective participants and providing them with detailed information concerning the topic of study as they formally invite them to participate in the study (Yin, 2018), I created a working relationship with the participants by explaining the study's purpose, detailing some of the research procedures, and answering any questions they might have for clarity. I informed the participants of their ability to withdraw from the study, and I obtained their informed consent. It is also important to establish a good rapport with participants for gaining a productive, qualitative study (Palinkas et al., 2015). A successful partnership with the participants is determined by the researcher's capability to demonstrate transparency regarding the nature of the research topic and communicate with the participants regularly to build a rapport and participants' trust (Maramwidze-Merrison, 2016). Researchers should reach out to participants with a friendly tone to put them at ease and build a good rapport (Yin, 2016). Therefore, I introduced myself via email, explaining my purpose for contacting them before making any phone calls or contacting them further.

Research Method and Design

To avoid methodological confusion, it is important to provide clear justification regarding choice of methods, techniques, and collection (Islam & Aldaihani, 2022). I conducted a qualitative multiple case study for this research. The qualitative method was most appropriate for exploring and understanding the strategies that nonprofit organization leaders use to decrease unethical financial conduct within their respective organizations.

Research Method

The research question, "What strategies do nonprofit leaders use to decrease unethical financial management conduct?" and the purpose of exploring those strategies influenced the research method chosen for this study. The qualitative research method consists of data regarding naturally occurring phenomenon through methods of inquiry that elicit non-numerical, difficult to quantify data, and quantitative research methods seek understanding by quantifying the phenomenon in a specific context, which can aid the development of theories and strategies (Brooks et al., 2018). Using the qualitative method allows the researcher to achieve in-depth knowledge regarding the phenomenon with a minimal empirical or theoretical background (Yin, 2018). Qualitative researchers seek to collect theoretically relevant information by first identifying general theoretical concepts (Windsong, 2018).

The qualitative research process includes applying prearranged questions to capture the participants' perspectives concerning their individual experiences (Yin, 2018). I asked prearranged questions to uncover current and relevant strategies nonprofit leaders used to decrease unethical financial management based on their subject matter experience. The semistructured interviews contained questions so nonprofit leaders could share relevant experiences offering rich and meaningful data. As I asked interview questions, factors developed that caused emergent themes to unfold. In-depth interviews permit study participants to address emergent themes, as the themes may not have existed in the researcher's original design (Windsong, 2018).

In contrast, the quantitative process entails using theories, statistical analysis, and hypothesis from which to surmise a conclusion and includes an examination of the relationship or correlation between variables found by undertaking statistical data and extrapolating to the population (Yin, 2018). The quantitative method was not appropriate for this study because the research intends not to examine the relationship or correlation between variables found. To explore strategies to decrease unethical financial management behavior in nonprofit organizations, I did not utilize in-depth statistical data analysis or test hypotheses, as required for quantitative studies.

The mixed-method approach was also not an appropriate approach for this study, as the purpose was to explore the social phenomenon of unethical financial management behavior in nonprofit organizations. Researchers using the mixed method approach combine qualitative and quantitative methods in a single study to explain a specific phenomenon (Alavi et al., 2018). The mixed-method approach includes complimentary yet diverse practices that stem from quantitative and qualitative methods, and using the mixed method approach prohibits researchers from broaching complex questions or collecting rich data (Yin, 2018).

Research Design

Four research designs are associated with qualitative research: phenomenology, narrative, ethnography, and case study. Choosing a relevant research design allowed an understanding of the participants' perspectives and was vital to answering the research questions. The foundation of case study research is the human experience and the path of human awareness relative to that experience (Yin, 2018). Thus, some researchers select a case study design to delineate a phenomenon or discourse complex social experiences and understand how and why outcomes occur (Yin, 2018). Exploring and identifying strategies to decrease unethical financial management conduct that results in negative repercussions for organizational mission fulfillment is essential to increase ethical behaviors.

Phenomenology is appropriate for studies where the researcher seeks to describe meaning from individuals based on their lived experiences specifically related to a phenomenon’s concept. Researchers who utilize phenomenological design explore how their participants comprehend these life experiences regarding specific phenomena (Marshall et al., 2021). The phenomenological research approach includes expressive elaborations allowing readers to visualize and understand a specific human experience (Urcia, 2021). Thus, phenomenology design was not suitable for this study.

Narrative design is appropriate for studies where the focus is specific to individual experiences expressed through told and lived stories. Studies suitable for narrative design emphasize the collective stories of individuals told of themselves and their identities, as narrative design researcher explores biographical information (Yin, 2018). This study was not an exploration of an individual’s life; therefore, the narrative design was not an option for this study.

Ethnography design is appropriate for studies where researchers seek to find shared patterns in behaviors, beliefs, and language and focus on a culture-sharing group. This study’s limited geographic reach and small sampling require no extension of behaviors, belief patterns, languages, or culture-sharing groups. Ethnography design studies capture the shared phenomenon of a cultural group through immersion in the shared cultural context (Argyriadis, 2021). Furthermore, an ethnographical design approach was not selected, as this data collection through prolonged observations of a group over an extended period while in their natural environment. Researchers conduct an ethnography study to describe a phenomenon of a group by immersion in the cultural context and conducting fieldwork (Brear, 2019), which was not appropriate for this study.

The case study design is appropriate as a method of inquiry on contemporary phenomena based on real-life settings, specific to recounting success stories (Yin, 2018), making it suitable for this study. Researchers use a single case study design when there is limited empirical data and access, and a rare phenomenon is present (Yin, 2016). Researchers conduct multiple case studies in qualitative research to answer research questions and gain in-depth knowledge (Marshall et al., 2021; Yin, 2018). A multiple case study design was most appropriate for this research because I planned to identify and explore strategies that various nonprofit leaders use in reducing unethical behaviors within their organizations.

To ensure that I reached data saturation, I reviewed a summary of interview responses with each participant and encouraged them to collaborate or refute the interpretation of data through the member checking process to ensure the study's validity. I followed this process until no new ideas, perceptions, or themes emerged. Data saturation emphasizes the breadth of collected data and is an indicator for assessing the adequacy of the research data at the point where further data does not help develop a deeper understanding (Yang et al., 2022). Data saturation transpired when participants had no additional information to share or themes to answer the research question for this multiple case study.

Population and Sampling

Sampling Method

I used a purposive sampling method to yield a participant pool filled with knowledge on strategies that decrease unethical financial management conduct. There are significant differences among scholars on the sampling strategies used for qualitative research; however, purposive sampling is noted as one of the most common strategies used for qualitative research (Brooks, et al., 2018). Purposive sampling was appropriate for identifying and selecting participants with extensive knowledge of a phenomenon (Ames et al., 2019). Choosing a sample of knowledgeable participants was critical to answering a researcher's study questions.

The sample size for this study consisted of a minimum of three leaders, one each from a nonprofit organization who have used successful strategies to decrease unethical financial management conduct. Researchers must apply an appropriate sampling strategy to select the right participants for the qualitative research (Islam & Aldaihani, 2022). After initial discussions and as a part of the member checking process, I provided a summary of the participants' interviews to review for accuracy. I asked the participants to correct any discrepancies and expand upon their thoughts if their statements require clarity until they have no new information to share. Researchers realize data saturation when participants have answered all questions with no further information to share (Yang et al., 2022). This process continued until data saturation occurred.

I chose three participants from three different nonprofit organizations. A small research sample size helps provide reliability and capture the participants' lived experiences (Palinkas et al., 2015). I selected these participants using a purposeful sampling method of nonprofit leaders. Gathering many studies could impede the ability to perform a thorough analysis in qualitative evidence synthesis; whereas, purposive sampling of primary studies is a way of achieving a manageable quantity of data (Ames et al., 2019).

Inclusion criteria for this study include a target population of leaders from three nonprofit organizations on the East Coast of the United States who successfully used strategies to decrease unethical financial management conduct and possess an official designation as a nonprofit organization under the IRS Code in operation for at least 5 years. Researchers identify the sample population and subpopulation based on specific inclusion criteria (van Rijnsoever, 2017). A multiple case study contains two to three cases to accomplish literal replication and consists of four to six instances to attain theoretical replication (Yin, 2018).

Data saturation occurs when no new information unfolds during the study. The researcher may conclude data saturation when participants have no further information to share (Islam & Aldaihani, 2022). When the researcher achieves data saturation, the data often becomes redundant (Yin, 2018). To obtain data saturation, I engaged participants to ensure accuracy in the interview process by asking follow-up questions as necessary and seeking clarification via member checking.

The selected population aligns with the stated research question since the chosen participants should possess personal insight into the organization's daily operations, uniquely positioning them to share their strategies to decrease unethical financial management behavior. Research design and questions help serve as a basis for participant selection (Dasgupta, 2015). The nonprofit organizational size was not considered in this study, as size is not a factor for the IRS to determine nonprofit status. The interview setting occurred virtually rather than face-to-face due to the challenges of the COVID-19 pandemic. I chose a virtual method such as Zoom, Skype, or Teams, which offered more flexibility and a convenient interview setting for participants. I prepared for interviews by becoming familiar with my choice of virtual means. During the interview, I ensured my background setting was free from noise and potential disruptions. I also asked participants to choose a private, quiet space for the security and confidentiality of their interview. Quiet environments enhance participants' willingness to convey personal experiences (Ranney et al., 2015). I used my interview protocol (Appendix A) as a guide when collecting data from participants to ensure consistency and alignment with my research topic.

Ethical Research

Participants received details regarding the study, as their consent was required before soliciting their involvement. Informed consent demonstrates a clear understanding of the study, such as the benefits and potential risks (Yin, 2018). Researchers must obtain the proper permissions to ensure that their study meets ethical and social requirements. Curran et al. (2019) examined Canadian institutional support for providing study results to participants in their informed consent templates, and the suggested researchers included appropriate statements about receiving research results. Researchers and institutions should understand what conformed consent entails and do not want to miss opportunities to promote participant engagement.

Providing participant consent forms is one of Walden University's requirements for scholar-practitioners. The consent process began with prospective participant recruitment and included the purposive selection of participants for the study. After identifying prospective participants, I contacted them for a discussion to disclose information about the study. I provided prospective participants with adequate information to make an informed decision about participation in the study. Prospective participants are more willing to participate in a research study if they disclose information about the study's purpose and convey their rights as a participant (Yin, 2018). I documented information and disclosures on the informed consent form to ensure adherence to ethical research. Informed consent allows participants to understand the study before deciding whether they wish to participate. After making an informed decision to participate, participants signed a consent form. The information on this form detailed the study’s purpose, ethical concerns, risks and benefits, and participants’ rights to withdraw from the study. Participants had the option of withdrawing from the study before or during the interview. Researchers must allow the individuals an opportunity to withdraw from the study (Marshall et al., 2021). Participants no longer wishing to participate had the option to contact me in writing to provide their request to withdraw from the study.

Ethical behavior is critical for collaborative work and fosters respect, accountability, and trust. Ethical guidelines for this study establish and protect my integrity and participants' confidentiality. Researchers must consider issues related to data sharing and confidentiality. Handling ethical issues determine the researcher's perceived integrity; therefore, specific practices and standards must occur. Thus, following the ethical guidelines prescribed by Walden University's Institutional Review Board (IRB) is required. Approved doctoral writing requires certification from an approved program offering training on research involving human subjects and includes human subject protection, ethical considerations, and regulatory guidance. The Collaborative Institutional Training Initiative (CITI Program) and the National Institute of Health (NIH) provide such training. The University's compliance department, such as an IRB, must approve a research proposal before data collection (Center for Research Quality, 2021). Following approval of this study, the IRB approval number assigned was 09-10-21-0463223.

Measures integrated into this study per The Belmont Report ensure the adequate ethical protection of study participants (National Commission for the Protection of Human Subjects and Biomedical and Behavioral Research, 1979). Furthermore, researchers complete training on the protection of human research by a program such as the CITI or NIH in the first year in the doctoral program at Walden University. As required by Walden University, I ensured that data storage was secure. All notes, audio files, transcribed responses, and other related data are stored securely in locked, password-protected files for no less than 5 years for the protection and confidentiality of participants. After 5 years, I will delete all electronic files and shred all related paper documents.

I applied for and gained IRB approval to complete research on the study before the commencement of the interview process. Approval number 09-10-21-0463223 was assigned once approved (Center for Research Quality, 2021). The names of individuals and organizations are confidential and did not appear in the study transcription. Protecting the privacy of study participants and nondisclosure regarding personal identification ensures confidentiality (Yin, 2018). Case 1, Case 2, and Case 3 represent organizations, and P1, P2, and P3 describe individual participants. The use of these pseudonyms protects participant confidentiality. Participants' potential vulnerability makes using pseudonyms vital to confidentiality in human research (Lahman et al., 2015). Research participation in this study was voluntary, and no participants received compensation or incentives for their participation.

Data Collection Instruments

Data collection consists of using many processes determinative of the research scenario, including various records, documents, and interviews (Yin, 2018). In this qualitative, multiple case study, I served as the primary data collection instrument. In qualitative research, the researcher might serve as the data collection instrument (Yin, 2018). Researchers collect data related to a phenomenon by conducting qualitative case studies and conducting interviews (Marshall et al., 2021). For this case study, I interviewed knowledgeable participants using a semistructured interview process. During the process, I collected, reviewed, and verified data such as company documents or business reports provided by three nonprofit organization leaders. A semistructured interview involves a focused approach to obtaining in-depth data using predetermined questions (Yin, 2018). I selected a semistructured interview method, allowing for flexibility in asking probing, open-ended questions to collect data from three nonprofit organization leaders on strategies to decrease unethical financial management.

A formal interview protocol defined the interview scope, including the study's purpose and the interview questions for participants. I used an interview protocol (Appendix A) to guide staying on track during the interview process so as not to omit any vital steps. Using a rigorous interview protocol helps the researcher obtain useful interview data (Yeong et al., 2018). The protocols help the researcher ensure that the interview questions align, guide the inquiry-based dialogue, and receive feedback from participants. The discussion and feedback from participants contained rich, detailed information and insight on strategies nonprofit organization leaders used to decrease unethical financial management behavior.

To increase the reliability and validity of the data collected, I performed transcribing, coding, and a follow-up interview called member checking. I compiled the data to validate response interpretation for accuracy in the member checking process. Member checking was vital in the analysis, as re-storying the data into a summary accessible to participants for checking and ensured the accuracy of all study information collected. Qualitative researchers use information from sources, interpret and translate it into data codes, and return the original data to their participants for validation (Taherdoost, 2022). The member checking process enhanced data analysis, as participants confirmed the researcher’s understanding of the data through shared results to validate the interpretation (Caretta & Perez, 2019). Verification of the study data occurred after no new data was derived from the member checking process. Final data verification included thematic coding, as reliable coding methods ensured accurate data analysis. Kiger and Varpio (2020) expressed that the process of thematic recognition is active and interpretive, where themes are constructed by comparing, analyzing, combining, and mapping codes and how they correlate. Because of the COVID-19 pandemic safety concerns, I used information collected through a virtual environment and other available electronic sources instead of conducting face-to-face interviews. I used the virtual technology in Microsoft Teams, which allowed sharing documents via visual image or transfer through the chat feature. I also offered email to exchange documents in case these forums did not work as planned. Using Microsoft Teams, as the researcher, I completed visual and verbal exchanges similar to face-to-face communication, where nonverbal and verbal cues are critical to the richness of the data collection process. While this type of technology medium can add a different dimension to the interview process, I understood that the human interaction was experienced differently and slightly delimited communications. To enhance the accuracy of data collected through interviews, I used member checking to enable the participants to review their summarized responses. Furthermore, I used journal note-taking, transcribing, and coding to ensure accurate capture, subsequent analysis, and interpretation of the data collected.

Data Collection Technique

The data collection techniques that I used to answer the question, “What strategies do nonprofit organization leaders use to decrease unethical financial management conduct?” included conducting semistructured interviews and collecting company documents, as offered by the participants. In this study, I chose virtual semistructured interviews as the data collection technique. Researchers use semistructured interviews, which allow for flexibility in asking open-ended questions facilitating their participants' descriptions of experiences about the preferred research topic (Yin, 2018). Researchers could easily assert power over data collected in the absence of participants and without a face-to-face relationship (Sakata et al., 2019). However, instead of face-to-face interviews, semistructured virtual interviews were an appropriate data collection technique for this study due to the challenges of the COVID-19 pandemic.

Before collecting the information, the nonprofit organization leaders received an email from me regarding the Request to Participate in Interview (Appendix B), which included confidentiality requirements and a brief explanation of the process and interview protocols. I obtained their concurrence to allow the interviews and provided them with a Consent Form which included background information, procedures, sample questions, and described the voluntary nature of the study. The consent form also consisted of the risks and benefits of participating and a point of contact for questions regarding the study. Researchers and participants should have a formal statement regarding their agreement on the concept of providing research data in the form of consent documents (Curran et al., 2019). Participants who qualified for participation in the study signed a consent form, which secured an acknowledgment of receipt regarding the research process. To conduct each virtual interview, both the participant and I chose private, quiet spaces with minimal distractions for the security and confidentiality of the interview. I was mindful of each participant's scheduling and availability.

Each interview did not exceed 1- hour to ensure sufficient time in responding to the questions detailed in the interview protocol (Appendix A) used as a guide to ensure consistency and accuracy. I used notetaking during the interviews to capture pertinent information such as participant responses and nonverbal cues. I audio recorded the interviews using Microsoft Teams and alternatively used an iPhone for a backup recording. Researchers use recording devices to improve the accuracy of data transcribed from participant responses (Yin, 2016). I introduced myself to the participant, reviewed the purpose of the research, presented a consent form, explained the content, and answered any questions from the participant if needed. After ensuring execution of the consent form, I advised the participant of the interview recording, turned on the recording device, and introduced the participant to the pseudonym/coded identification that I planned to use to protect their anonymity. I continued using the interview protocol (Appendix A), noted the date and time before beginning the interview, starting with question one through the final question, and followed-up with additional probing questions, as needed. I ended the interview sequence and discussed member checking with the participant. Then, I thanked the participant for their contribution to the study and obtained contact numbers for follow-up questions and member checking. After the interview, I ended the protocol by turning off the recording device.

Some notable advantages and disadvantages arise from conducting semistructured interviews in research. One advantage of conducting semistructured interviews is the practicality in garnering insightful context and rich data on the chosen research topic (Yin, 2018). Other advantages of using semistructured interviews, as described by

Marshall et al. (2021), include: (a) personable interviews, (b) quickly retrieved data, (c) immediate follow-up and clarification capability, and (d) capability of interviewing challenged individuals (including the hearing impaired). Interviews could access firsthand research data while the researcher builds a rapport with the participants (Yin, 2016). Conversely, the semistructured interview process includes disadvantages. One disadvantage of semistructured interviews is the proclivity for bias, impacting the study's findings (Yin, 2018). Other disadvantages noted in using semistructured interviews, as delineated by Marshall et al. (2021), include: (a) not ample time for trust-building, (b) uncomfortable participants, (c) dialect challenges, and (d) lack of participant truthfulness.

I did not conduct a pilot case study for this study. A researcher may use a pilot case study as a trial run for validation purposes to assure them that a larger, more extensive case study is practicable in setting, case scenario, questions, and flow (Yin, 2016). I interviewed three small nonprofit leaders regarding strategies used to decrease unethical financial management behavior. Although case study research permits pilot case studies, the number of participants for this study was small; therefore, a pilot case study was not practicable. I collected, transcribed, and summarized points from the initial interview sessions and sent the information electronically via email to participants. Transcribing bridges data collection and data analysis and allows researchers to immerse themselves in the data collected (Sakata et al., 2019). After verifying receipt, I called participants and conducted member checking by summarizing responses from the interview data to ensure correct interpretation. This process allows participants an opportunity to review, subtract, validate, or add omitted data for validity. Member checking enables participants to verify the interpretation accuracy, credibility, and trustworthiness of interview data (Brear, 2019). Thus, the member checking process ensured the study only contained accurate, verified interview data. I conducted member checking with research participants until no new themes or information emerges.

Data Organization Technique

Preparation for analyzing sources includes formulating and developing a system for organizing participant responses and company documents, as provided by the participants. This data organization technique is an integral part of the qualitative research process. Data organization involves choosing the most efficient organization techniques to use, keep journal notes, and electronically store data. Marshall et al. (2021) recommended a systematic approach in data organization for tracking research data and pertinent information. My responsibility was to properly organize and securely store any information obtained during the data collection process.

I used notetaking during the interviews and reflective journaling after the interviews to document participant responses. I reviewed, annotated, and compared the similarities in the research information, collect and classify accordingly. When researchers continually compare data results, research effectiveness improves, and data saturation occurs (Palinkas et al., 2015). I used NVivo data analysis software to upload the transcribed information. The software facilitated categorization to further code the collected responses and perform the data analysis. Using NVivo helped me eliminate some of my human errors in theme identification, as the software generated thematic patterns. This process helped with accurately sorting by category and developed themes using a word frequency query in NVivo. I grouped and consolidated similar words, ideas, and information, then examined the relationship between the data and developed themes.

I used labeling to safeguard the participants' identities. I created folders for each of the cases, with titles on the top level of the folder, and numbered them by Case 1, 2, or 3 to provide confidentiality of the companies involved in the study. In their study's data analysis, Sakata et al. (2019) created separate folders for the different schools studied and separate subfolders for each participant within their corresponding school folder. Each interview contained interview notes, interview narratives, emerging themes, company documents, and member checking within the folders. To ensure the participants' privacy, they held references as P1, P2, and P3.

I stored the documents related to this study on an external password-protected device and my laptop in a password-protected folder. As required by Walden University, and for the protection and confidentiality of participants, all notes, audio files, transcribed responses, and other related data are stored securely in locked, password-protected files for no less than 5 years. After 5 years, I will destroy all information collected and the removable storage device by standard data destruction practices. Similar practices are requirements in qualitative research, specifically, transporting data to a portable storage drive and after 5 years erasing the data and destroying the portable storage drive (Opalka-Bentler, 2016).

Data Analysis

I used methodological triangulation in the data analysis process to reduce information collected into manageable themes for interpretation. Data analysis includes the following five steps: compilation, disassembly, reassembly, interpretation, and writing a conclusion (Yin, 2018). Following Yin’s 5-step process, I systematically analyzed the data collected, compared sources, developed themes, and organized my report in a structured and transparent format. I explored strategies to decrease unethical financial management conduct in nonprofit organizations.

The qualitative analysis process must be logical and sequential to present a sound, reliable approach to data analysis. After IRB approval, I contacted the selected organizations and obtained letters of cooperation and begin the exploratory process involved in data collection for the case study. Virtual semistructured interviews are a platform for me to understand each nonprofit organization's dynamics to understand their dynamics within the study. Researchers conduct case study research using multiple data sources, assuring the validity of research during the triangulation process (Yin, 2018). I gathered data from leaders of three nonprofit organizations, made journal notes, and compared and contrasted the data from these sources to achieve methodological triangulation.

I asked the participants six open-ended questions. As I remained aware of the context of participant responses, I looked for inconsistencies, specificity in comments, and emerging trends and themes. I recorded participant responses using a digital recording device. My systematic process for coding data into key themes included coding the information as I reflected on new impressions that shaped my interpretation of the data collected. I listened to the recorded information multiple times to familiarize myself with the contents. I uploaded the interview data into the data analysis software. After coding the material, I extracted themes, looking for underlying patterns, and grouped codes by significant themes. Member checking enhances the data analysis process, as researchers correct errors, coordinate information obtained from participants, confirm understanding of the data, and validate the data interpretation (Marshall et al., 2021). After the interview process, I proceeded with member checking so that participants may verify my interpretation of their responses and provided their feedback to ensure accuracy.

Qualitative research includes analysis of the text to help the researcher better understand the phenomena by ascertaining and developing key themes that correlate with the study's conceptual framework. Similar to electronic data analysis, data derived from collected case study materials require content analysis to help explain the phenomenon based on the emotional, linguistic, cognitive, and historic nature of the text (Renz et al., 2018). After gathering the transcribed data on strategies to decrease unethical financial management conduct from the nonprofit leaders studied, I organized the data to help develop key themes that correlated with the study's conceptual framework.

The content analysis process included coding the data and categorizing the data based on the consistency coding. Researchers utilizing content analysis focus on spoken or written vernacular and emphasize the content and or context and structure of the communication (Renz et al., 2018). The process also entailed the triangulation of data, where I used interviewing and company document analysis to assess the variances in findings from each. Company documents may include publicly accessible policies and codes of ethics, governance policies, or press releases. If the results from both methods draw similar conclusions, then validity in the findings has been established. Triangulation supports the confirmation of the reliability and validity of a study's data and results (Marshall et al., 2021; Renz et al., 2018).

Qualitative researchers often use qualitative data analysis software such as NVivo to assist with the data analysis process. I used NVivo software while employing Yin's (2018) 5-step process of compiling, disassembling, reassembling, interpreting, and concluding themes. Researchers reach data saturation during the interview process when the data becomes repetitive or redundant (Yin, 2018). I collected data from nonprofit leaders, disassembled the data, and reassembled the data via coding, and categorized data into themes as they developed.

Focusing on key themes in the literature involved identifying and correlating keywords recognized in the literature. Using electronic data analysis software helped with identifying those themes. I collected participant information, and used NVivo software to upload the transcripts to identify and code themes as they correlated with the consistent flow throughout the literature. There are several suitable analysis methods such as software packages that researchers use for qualitative data analysis. Qualitative data may be analyzed manually or using software programs that enabled depth and sophistication of their analysis, such as NVivo software for complex coding schemes (Saunders et al., 2018). Proper analysis of the common themes led to collecting strategies to decrease unethical financial management behavior.

Reliability and Validity

Both qualitative and quantitative researchers perform assessments in the quality of their research through reliability and validity criteria. Confirmation of reliability and validity was essential for obtaining verification of quality and integrity in this research study. The criticality of addressing the researcher's position and showing how they ensure the trustworthiness of their research (Fusch et al., 2018). Qualitative researchers may ensure dependability in research while confirming reliability and achieving data saturation (Smith & McGannon, 2018). Ensuring the reliability and validity of the collected data is a significant step in qualitative research.

Reliability

Establishing reliability is significant in securing trustworthiness in the qualitative content of the study. Reliability refers to consistency in qualitative research; whereas, dependability is subjective and relates to trustworthiness (Korstjens & Moser, 2018). Thus, both dependability and the consistency element of reliability are relative to attributes of trustworthiness. I ensured consistent processes to include safekeeping notes, recorded interview data, transcribed data, and the systematic description of changes that occurred during the research process from beginning to end. Reliability within a case study determines whether study replication is possible and the consistency of the procedures implemented during the research process (Yin, 2018). My duty as the researcher was to ensure dependability and that pertinent data was readily available.

By recording and transcribing participant interviews, I may confirm the accuracy of their responses. Researchers might improve accuracy in deciphering participant responses using a digital recording device (Ranney et al., 2015). I used NVivo data analysis software to understand the key concepts better. I coded the collected data, organized and managed my notes, performed data analysis, and developed an audit trail of my processing during the study's data collection and analysis phase. I demonstrated the reliability of the data interpretation by performing member checking to ensure consistency and thematic interpretation of the participants' responses were within the social context. Member checking is vital in coordinating and solidifying the data collected from study participants (Marshall et al., 2021). During the member checking process, I allowed each participant to review the interpreted data and provide corrections if the data was inaccurate. I asked the participants to correct any noted discrepancies and expand on their meaning when statements required clarity until there was no new information. When the participants had no further information to share, data saturation occurred. Member checking provides participants the opportunity to challenge anything perceived as erroneous; however, member checking is most effective based on participant willingness, time and capacity (Caretta & Perez, 2019). Member checking eliminates the misrepresentation of data and allows researchers the opportunity to correct errors.

Validity

In this study, I used open-ended questions, and I continued my inquiry and collecting and analyzing the data until no new themes emerged. I established validity by using multiple data sources, including the transcribed data, member checking, company documents, and interview notes. Researchers may perform case study research using various information sources, including the actual interviews and other documents (Fusch et al., 2018; Yin, 2018). Credibility is one of several criteria used in qualitative research to establish trustworthiness relative to validity and pertains to whether the findings accurately and fairly represent the data (DeJonckheere & Vaughn, 2019). The member checking process validated that my interpretation of the data captures the participants' experiences and did not skew the true meaning of their statements. The member checking process enhanced data analysis, as participants confirmed the researcher's understanding of the data through shared results to validate the interpretation (Brear, 2019). I compared the participants' interviews, the transcribed data, member checking, my interview notes, and Internal Revenue Service website documents. I used methodological triangulation, as applying rigor helps support the credibility of the research findings. Triangulation using multiple data sources can help in mitigating bias, and enhancing data saturation realization (Fusch et al., 2018). The triangulation method supported credibility and enhanced the objectivity and quality of qualitative research.

Assessing transferability is essential in qualitative research in addressing whether other researchers will have the ability to apply the results to similar or broader studies. Qualitative researchers enhance the legitimacy of qualitative research by describing the transferability of their findings past the participant settings to reflect the conceptual framework within the study results (Yin, 2018). Transferability ensures feasibly for other researchers to make concise, informed determinations of the capability to replicate the study in different research settings. Researchers should leave the transferability of their findings to future researchers (Marshall et al., 2021). Thus, I applied sufficient detailed descriptions within the research setting of all assumptions to ensure transferability.

Confirmability is a validity measure that increases objectivity, reduces bias in qualitative studies, and supports the authenticity of research findings. Researchers can minimize such bias by introducing elements that enhance the confirmability of the data collected and the study results. I ensured confirmability by accurately capturing the details during decision-making in reflective journaling and used NVivo to help me organize the data. I maintained an audit trail to annotate the development of this study. To develop an audit trail, I documented my research activities, procedures, and decisions during the study. Confirmability in qualitative research occurs when others can validate the findings (Korstjens & Moser, 2018). Researchers may establish credibility by implementing an audit trail of their research process and member checking (Yin, 2016). Creating an audit trail can prove helpful in reflecting on study details and aiding in confirmability. Credibility, transformability, and confirmability are related to validity in that qualitative researchers are required to provide trustworthiness of the research study through these elements (Korstjens & Moser, 2018).

I ensured maximum information collection regarding the phenomenon to attain closure regarding answers to the research question. When reaching data saturation, the data often becomes repetitive or redundant (Yin, 2018). When participants have no new information to share, researchers may conclude that they have reached data saturation (Yang et al., 2022). When I ascertained that I had stretched the data as far as possible, I was empirically confident that no additional information or themes unfold or developed.

Transition and Summary

In Section 2, I identified myself as the primary data collector. I discussed how I would employ a systematic approach in performing my research duties of adhering to prescribed ethical assurances while collecting, analyzing, and interpreting data relative to the study the participants' strategies used in reducing unethical behaviors within their organizations. I reflected on how I chose the participants and adhered to the ethical standards given in *The Belmont Report*, including informed consent and the respectful treatment of participants (National Commission for the Protection of Human Subjects and Biomedical and Behavioral Research, 1979). I also discussed detailed information regarding the participants, how I chose the research methodology that best fits my research, and introduced my research question, "What strategies do nonprofit organization leaders use to decrease unethical financial management conduct?"

Next, I delineated the interview questions and discussed how this study's "Conceptual Framework" sections stem from stakeholder and agency theories. The "Operational Definitions" section shows the key terms used throughout this study. In "Significance of the Study," I discussed the value of this study's findings to businesses. I noted the nonprofit leadership's continuing trend in exhibiting unethical behavior and the importance of finding strategies that address the problem. In the section, "Contribution to Effective Practice of Business," I discussed the propensity for business leadership improvement in business management, as they may implement the strategies explored to decrease the probability of unethical financial management occurring within their nonprofit organizations. In the "Implications for Social Change" section, I expressed the importance of nonprofit organizations and their role in providing valuable products and services for those in need. In the review of the literature section, I documented the review of scholarly literature sources regarding strategies leaders used to decrease unethical financial management behavior in nonprofit organizations.

Section 3 of my doctoral study includes an introduction, a review, a summary of the purpose of the study, and the study findings. I provide a discussion on the details of how this study applies to professional practice. I include the findings, implications regarding social change, my reflections, and my recommendations for implementing strategies to decrease unethical financial management and suggestions for future academic research. My conclusion grasps the essence of this study; specifically, the conclusion includes a summary discussion of this study and reflects on my doctoral study process.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative multiple case study was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. The conceptual frameworks for this study included stakeholder theory, developed by Freeman (1984) and agency theory pioneered by Berle and Means (1932). The data came from nonprofit organizational leaders with experience using strategies to decrease unethical financial management behavior and publicly available supporting documents referred by participants. To identify themes, I used methodological triangulation of these data sources. NVivo was used to help perform an in-depth analysis.

Four key strategies emerged in this study from the data analysis. The first strategy was adhering to ethical and regulatory reporting requirements to ensure nonprofit organizational ethical compliance and enables nonprofit organizations to maintain their tax exemption status. The second strategy involved effective communication and transparency, which fosters accountability and may impede unethical financial management activities. The third strategy that emerged was oversight and governance. This strategy involves holding nonprofit leaders accountable for their actions, demonstrating to the public that someone is observing the firm’s actions, and promoting public confidence. Implementation of policies, procedures or protocols emerged as the fourth strategy to help delineate organizational interests, stipulate ethical norms, and decrease unethical financial behavior in nonprofit organizations.

Presentation of the Findings

This study's overarching research question was "What strategies do nonprofit organization leaders use to decrease unethical financial management conduct?" Four major themes emerged from the data analysis: (a) ethical and regulatory reporting requirements, (b) communication and transparency, (c) oversight and governance, and (d) policies, procedures, or protocols such as separation or segregation of duties or checks and balances. I relied on Yin's 5-step process to systematically analyze the data collected and identify potential themes and patterns in the collected data. The nonprofit leaders resonated similar themes using comparable wording supporting a uniformity in the information provided for the study. I used methodological triangulation comparing the participant interviews, member checking, interview notes, and the IRS website documents to apply rigor and support the credibility of the research findings. I analyzed data consistently and relative to the research question and the conceptual framework until reaching thematic saturation.

Theme 1: Ethical and Regulatory Reporting Requirements

Table 2 includes subthemes related to ethical and regulatory reporting requirements derived from participant responses and my journal notes, which were confirmed by the IRS documents.

Table 2

Ethical and Regulatory Reporting Requirements

Subthemes	Frequency	%
Compliance/compliant	22	32%
Bookkeeping/accounting	15	22%
Accountability	10	14%
Financial statements	9	13%
Unethical/unethically/fraudulent reporting	7	10%
Regulations/regulatory	6	9%
Total	69	100%

Note. Frequency indicates the number of times each subtheme appeared in the data. Percentage indicates the ratio of each subtheme as compared to all subthemes per hundred units.

Nonprofit organizations are required to operate ethically and report their activities and actions. Nonprofit organizations are organized for tax-exempt purposes and thus are subject to regulatory reporting requirements to maintain their exemption (IRS, 2022a). All participants noted, without exception, the unequivocal need for ethical and regulatory reporting requirements. All participants confirmed that they were required, as 501(c)(3) nonprofit organizations, to file IRS form 990 reports. P1 and P3 emphasized using regulations as a guide is a strategy for avoiding unethical financial management conduct. P1 started the interview by asking me to look at IRS form 990, which is publicly available and proves the amount of rigor applied to nonprofit organizations by the government to discourage unethical financial management conduct. Upon examining the IRS web page repository for the form 990, I previewed a plethora of in-depth information, including schedules labeled from A-R requiring information regarding public support, contributors, supplemental financial statements, supplemental information regarding fundraising, gaming, grants, and other assistance, compensation, and related organizations to name a few.

The IRS website shows the primary purpose of the Form 990-series returns is not for reporting financial information; these returns provide the IRS (and the public) with information about the organization's programs, activities, relationships, transactions, and governance in addition to the revenues, expenses, and assets (IRS, 2022b). The law requires these filings, and the IRS requires nonprofit organizations to report complete and accurate information under penalties of perjury. Most Form 990 filing data is available for public inspection and shows the public (a) the nonprofit's organizational structure, (b) how the nonprofit operates under tax-exemption, (c) the nonprofit's compliance status with tax law, (d) whether the nonprofit is well-governed and well managed, (e) how the nonprofit furthers its mission as a tax-exempt entity, (f) how the nonprofit provides a valuable service(s) for the public (IRS, 2022b).

P1 stated, "Answering the questions on this form shows accountability and shows integrity, as nonprofit organizations are required to explain their actions and publish critical data about their organizations." P1 also expressed, "As to maintain their nonprofit designation, reporting required by the 990 filing and other specific best practices are put in place that ensures the unlikely event that leaders would engage in unethical financial management misconduct." P2 expressed the importance of regulatory compliance audits in a nonprofit organization: "Information provided from our independent auditor is included with the annual filings (such as 990 forms), and the fact that it's audited demonstrates consistency and completeness of the information." P3 agreed that regulatory compliance is vital to the health of a nonprofit organization. P3 revealed, "Adding an outside bookkeeper, in addition to the CPA that oversees their IRS form 990 filing helps the organization keep up with the reporting requirements." Audits can trigger feedback mechanisms intended to correct imperfections in how information is represented but results in filling information gaps and improving the reports' short- and long-term quality (Raimo et al., 2021). Highly competent auditors possessing objectivity and integrity can detect unethical behavior during their audits (Alias et al., 2019). Nonprofit adherence to these regulatory reporting requirements demonstrates that nonprofit organizations merit public support and help the organization ensure their sustained success.

I used the IRS documents to triangulate my findings and confirm the theme relating to ethical and regulatory reporting requirements. Part V of the IRS form 990 contained questions that required nonprofit organizations to attest to and provide statements regarding IRS and tax compliance filings. Part XII had questions that required nonprofit organizations to disclose accounting methods and required regulatory filings. The information on both parts of the required filing aligns with my notes and confirms participant interview responses.

Correlating Theme 1 to the Body of Knowledge/Literature

Theme 1, ethical and regulatory reporting requirements, closely aligned with the existing body of knowledge regarding adhering to regulatory reporting requirements. For example, the past embarrassing corporate misbehaviors and subsequent implementation of SOX initiated a requirement for processes that organizations should use to reduce the risk of unethical financial management through reporting accuracy, best practices in compliance, and ethical codes (Carnes et al., 2019). Regulations may be helpful in defining organizational interests and specifying norms for employee ethics, as regulatory agents set standards for what constitutes misconduct (Burbano & Ostler, 2021).

Correlating Theme 1 to the Conceptual Framework

Theme 1 supports the concept that there is a need for ethical and regulatory reporting requirements in nonprofit organizations. This theme is relevant to stakeholder theory, as focusing on stakeholder management equals good business management practices (Remme & Waal, 2020). Ethics, norms, and values have vital roles in stakeholder theory (Freeman et al., 2020). This theme is also relevant to agency theory, as the moral tenants of leadership are in question due to the plurality between business principals and their agent relationships, and regulatory reporting would curb or deter agents from exhibiting unethical behaviors. Adam Smith developed the agency theory on the proposition that organizations managed by other than their owners (agents) show a probability that the managing agent might not act in the owner's best interest (Panda & Leepsa, 2017). In other words, ethical and regulatory reporting requirements may help keep agents honest.

Theme 2: Communication and Transparency

Table 3 includes subthemes related to communication and transparency derived from participant responses and my journal notes, which were confirmed by the IRS documents.

Table 3

Communication and Transparency

Subthemes	Frequency	%
Information sharing/open book	31	35%
Leadership motivation	19	21%
Leadership recommendations	15	17%
Stakeholder understanding	12	13%
Discussions	12	13%
Total	89	100%

Note. Frequency indicates the number of times each subtheme appeared in the data. Percentage indicates the ratio of each subtheme as compared to all subthemes per hundred units.

Closely related to ethical and regulatory reporting requirements is the need for effective communication and transparency in nonprofit organizations. Implementation of SOX has helped curtail fraud in accounting, as the requirement for reporting creates transparency in public companies (Ahluwalia et al., 2018). Leadership can foster trust and promote ethical behavior through their actions, articulate ethics, and integrity, and respond to unethical behavior using ethical compliance. Reinforcing trust and competence is vital in nonprofit organizational management (Woodroof et al., 2021); therefore, transparent leadership can foster trust between leadership and the staff. All participants highlighted the importance of communication and transparency in nonprofit organizations. P1 also mentioned that communicating the company's high standards of business practice from the beginning of the relationship with the nonprofit is an excellent deterrent to exhibiting unethical financial management conduct. P2 echoed the same sentiment and asserted, "Establishing standards during the hiring/training process is vital." P3 noted, "Keeping the lines of communication open, from sharing the meeting and financial information to making sure everyone has access to whatever information they need related to the revenue, is essential in effective nonprofit leadership." Regarding transparency, P3 asserted, "Our books are open and accessible to anyone on our board that would like to see them." Communication and transparency are vital to maintaining positive relationships within any organization and fostering a mutual understanding of expectations.

I used the IRS documents to triangulate my findings and confirm the theme relating to communication and transparency needed in nonprofit organizations. Part VII, Section C (Disclosures) of the IRS form 990 contained questions that required nonprofit organizations to attest to and provide information on their governing document(s), conflict-of-interest policy, and whether financial statements were made available to the public during the tax year. This information is in alignment with my notes and confirms participant interview responses.

Correlating Theme 2 to the Body of Knowledge (Literature)

Theme 2, communication and transparency, aligns with the literature in that nonprofit leaders should foster transparency and openness to implementing strategies to decrease unethical financial management behavior. Voluntary accountability displayed by nonprofit organizational leaders exemplifies quality and trustworthiness, and nonprofit organizations with a lack of transparency attain lower public reputation, public trust, and lower donations (Becker, 2018). The fact that nonprofit organizations have a positive impact on our society and misconduct impairs donor contributions implies a correlation between moral behaviors with positive or negative consumer outcome variables (Yin et al., 2021). Accordingly, nonprofit leaders should give full transparency to all stakeholders and perform ethically to regain the eroded public trust in nonprofit organizational leadership.

Correlating Theme 2 to the Conceptual Framework

Theme 2 correlates with the conceptual framework, as liability results when controlling resources that belong to others. Stakeholder and agency theories conceptualize in different ways based on controlling resources belonging to others. Freeman (1984) pioneered stakeholder theory suggesting that management should maximize stakeholder interests (as a group) when decisions are made on behalf of the organization (thus, fostering communication). Whereas in agency theory, individuals fail to consider others and promote conducting business without considering what may have impacted stakeholders' interests (Ibrahim (2016). Stakeholder theory, as developed by legal scholars, reformulates allocation of production by clarifying the roles of governance in fiduciary duties, decision making participation, and equity ownership (Palladino, 2022). In agency theory, there is no emphasis on communication or transparency since, with organizations managed by agents, the managing individual might not act in the principal's best interest (Panda & Leepsa, 2017). The development of an ethical environment in business decision-making is vital to effectively controlling the financial resources in nonprofit organizations. These studies also confirm the need to foster open communication and transparency as a strategy to decrease unethical financial management behavior.

Theme 3: Oversight and Governance

Table 4 includes subthemes related to oversight and governance derived from participant responses and my journal notes, and confirmed by the IRS documents.

Table 4

Oversight and Governance

Subthemes	Frequency	Percentage
Organizational management	30	39%
Organizational oversight	13	17%
Government oversight	15	20%
Controlling	9	12%
Authorization/authorizations/authorized	9	12%
Total	76	100%

Note. Frequency indicates the number of times each subtheme appeared in the data. Percentage indicates the ratio of each subtheme as compared to all subthemes per hundred units.

The oversight role represents a critical element of decreasing unethical financial management behavior. In a traditional nonprofit setting, a board of directors is to govern the organization; additionally, the board is legally responsible for ensuring the nonprofit organization remains compliant (Piscitelli et al., 2020). All participants explained their oversight and governance processes and stressed how essential the process is to the compliance and performance of their respective organizations. P1 offered that the board and financial management promote ethical conduct to include oversight using a compliance plan. P1 stated, “The compliance plan mitigates potential non-compliance issues, such as not adhering to policies and the proper regulatory reporting requirements.” P2 explained that there should be different levels of oversight within a nonprofit structure that ensures accuracy at the next level, which strongly encourages accurate reporting of the organization's financial position. P2 stated,

> Everyone understands their levels. There are paid employees of the nonprofit, and there's a financial manager who is responsible and has the oversight role in making sure that there are dual controls in place whenever possible and who reports to the executive director of the organization.

P3 discussed using an executive committee for their oversight. P3 stated, “The executive committee consists of board members to oversee the organization's financial operations.” Oversight helps nonprofit leadership convey a clear understanding of the organization’s values and expectations from all leadership levels.

I used the IRS documents to triangulate my findings and confirm the theme of the oversight and governance required for the effective management of nonprofit organizations. Part VI, Section A of the IRS form 990 contained questions that required nonprofit organizations to provide information on their oversight, management, oversight, controlling members, governance decisions, and authority to act. This information aligns with my notes and observations and confirms the participant interview responses.

Correlating Theme 3 to the Body of Knowledge (Literature)

Theme 3, oversight and governance, correlates with the literature, and demonstrates that corporate governance in nonprofit organizations balances stakeholders and community interests. Effective governance requires periodic review of accountability measures for leadership behavior improvement and establishes a balance between leadership and the community (Feils et al., 2018). Leadership implementation of codes of conduct might positively affect organizations' ethical attitudes and individual behavioral intentions (Thaler & Helmig, 2016).

Correlating Theme 3 to the Conceptual Framework

Since stakeholder management applies to internal, external, or direct administration with the organization interface, the correlation to Theme 3 governance/oversight is relative. The stakeholder theory perspective suggests that multiple diverse constituencies are dependent on constraints imposed by governance systems, and decision-making is enacted based on the interests of a collective group of stakeholders to advance the organization (Feils et al., 2018). Since the premise of the agency theory is goal-conflict between principal-agent and the belief that the agent may not always act in the principal’s interest (Van Puyvelde et al., 2012), agency theory initially appears to conflict with the governance/oversight theme. If both agent and principal desire similar outcomes and hold similar interests, then the governance/oversight paradigm could exist. Thus, agency theory may be used as a game-changer to create appropriate incentives by considering the interests that motivate the agent.

Theme 4: Policies, Procedures, or Protocols

Table 5 includes subthemes related to policies, procedures, or protocols derived from participant responses and my journal notes, and confirmed by the IRS documents.

Table 5

Policies, Procedures, or Protocols

Subthemes	Frequency	%
Procedures/protocols	24	34%
Operations/activities	13	18%
Implementation/implementing	18	25%
Processes	10	14%
Requirements	6	8%
Total	71	100%

Note. Frequency indicates the number of times each subtheme appeared in the data. Percentage indicates the ratio of each subtheme as compared to all subthemes per hundred units.

Having policies, procedures, or protocols is essential to curbing fraud in nonprofit management. Governance measures such as establishing policies and procedures, segregating financial responsibilities, and implementing internal controls lessen the opportunity for unethical conduct in nonprofit organizations (Archambeault & Webber, 2018). All participants asserted that the need for nonprofit organizations to follow policy, procedures, or protocols such as separation or segregation of duties, checks, and balances is essential to decreasing financial management misconduct. P1 specified, "Nonprofit organizations should have a comprehensive financial policy and procedures or policy manual to help the organization minimize risks and poor performance outcomes." P2 noted that having procedures and adequate internal controls from the onset helps reduce the likelihood of unethical occurrences. P3 offered that their processes help control and improve but are also for financial soundness. For example, P3 stated that they use PayPal to collect contributors' credit card information so that no other individuals keep that information. P3 further stated, “And if they have a problem with their payments, I can facilitate, but don’t have access to their private records.” Policies, procedures, or protocols such as separation or segregation of duties or checks and balances may increase performance and strengthen competencies by eliminating inefficient work processes.

I used the IRS documents to triangulate my findings and confirm the theme on policies, procedures, or protocols in nonprofit organizations. Part VI, Section B of the IRS form 990 contained questions on policies and required nonprofit organizations to provide information about their operations, activities, and processes. This information aligns with my notes and confirms the participant interview responses.

Correlating Theme 4 to the Body of Knowledge (Literature)

Theme 4, policies, procedures, or protocols, correlates with the literature, as implementing the appropriate policies, procedures, and protocols may aid leaders in handling ethical financial misconduct or issues. All participants spoke on the importance of policies and practices guiding their organizational structures and decision-making. Many organizations implement procedures to ensure employee adherence to the organization’s regulatory compliance (Teichmann, 2019). In a study on the United Nations nonprofit capacity building Centers for Financial Stability, seven out of nine exhibited similarities in best practices, including organizational procedures (Strang, 2018). Policies, procedures, and protocol implementation are vital for showing consistency and transparency in promoting nonprofit organizational missions.

Correlating Theme 4 to the Conceptual Framework

The principal-agent relationship becomes problematic when the principal and agent interests present conflicts. As a theory, the emphasis is on accountability in correcting opportunistic behaviors resulting from the exploitation of information. Agency theory transpires in cases of unethical management behaviors resulting from managers having control of other individuals' resources and responsibilities (Ibrahim, 2016). The conceptual framework of agency theory aligns with theme 4, as nonprofit organizational leaders may seek to minimize unethical situations through implementing the structure provided in having solid corporate policies, procedures, and protocols. Procedures and other mechanisms can guide how the agent operates and restore the principal's interest by discouraging unethical practices.

The recent unethical actions of some for-profit and nonprofit leaders have intensified the need for a stronger emphasis on organizational ethics. Furthermore, the structure provided in implementing policies, procedures, and protocols may help ensure that specific training and competency standards are met for individuals who work, attain leadership positions, and govern nonprofit organizations. As such, stakeholder theory aligns with theme 4 in that these mechanisms are essential to the effective management of nonprofit organizations. Stakeholder theory is an umbrella term for a specific category of theories that aid in understanding the relationships between organizations and stakeholders and is relative to performance outcomes based on these relationships (Jones et al., 2018). For-profit business firms and nonprofit public policy leaders use stakeholder theory to guide decisions that affect the organization (Barney & Harrison, 2020). In stakeholder theory, organizational leaders display an obligation to convey stakeholders' desires who have the authority to act for the organization (Freeman, 1984). Hence, there is a need for policies, procedures, and protocols that guide and balance in governing the organization, preventing leaders from only sharing organizational performance outcomes in a meritocratic manner based on contribution to the organization.

The findings of this study confirmed knowledge on strategies to decrease unethical financial management misconduct in nonprofit organizations. Unethical financial management misconduct is particularly troubling for nonprofit organizations. Addressing and managing these concerns requires a deeper understanding of how complex relationships, organizational structures, and mismanagement systems can distort judgment and cause erroneous decisions and misconduct. The misconduct challenges can arise at any level within the organization but seem more prevalent in nonprofit organizational leadership. Those in leadership positions have potential influence over other organizational members; and, thus, are expected to adopt and encourage ethical behaviors considering that influence (Aubé et al., 2021). In stakeholder theory, the business matter analysis is from the principal stakeholders' perspective, focusing on the expected impact such matters affect stakeholders (Harrison et al., 2015). Freeman introduced stakeholder theory as a new strategic management theory to create value for organizational groups and individuals in achieving business success (Fares et al., 2021).

In comparison, agency theory is based on the divergence of ownership and control among stakeholders and focuses on the plurality of the relationships between business principals and their agents (Berle & Means, 1932). Based on the size of nonprofit operations, there can be severe implications stemming from a lack of adequate governance (autonomous, unmonitored management (Molk & Sokol, 2021). An essential step in the right direction is for nonprofit organizations to implement effective compliance programs based on adequate ethical codes and standards. There is a real need for mechanisms that monitor leadership for organizations controlled by someone other than its owners (Berle & Means, 1932). Raimo et al. (2021), in their analysis on the effect of external audiences, aligns with Berle and Means's (1932) position as they credited organizational efficiency with using integrated reporting quality (IRQ) from an agency theory perspective. Although no programs, rules, or standards can guarantee ethical financial management, nonprofit organizations may decrease the risk of unethical financial misconduct by implementing these measures.

Four key strategies emerged in this study from the data analysis. The first strategy was adhering to ethical and regulatory reporting requirements to ensure nonprofit organizational ethical compliance and enables nonprofit organizations to maintain their tax exemption status. Organizations should implement mechanisms for preventing unethical occurrences and managing vulnerabilities (Hornsey et al., 2021). The second strategy involved effective communication and transparency, which fosters accountability and may impede unethical financial management activities. Nonprofit organizational leaders should be transparent in informing donors about the use of their donations (Caulfield et al., 2022); and thus confirm this finding. The third strategy that emerged was oversight and governance. This strategy involves holding nonprofit leaders accountable for their actions, demonstrating to the public that someone is observing the firm's actions, and promoting public confidence. Performance support and periodic accountability reviews are vital in improving leadership behaviors (McDonald & Goodman, 2021). Implementation of policies, procedures, or protocols emerged as the fourth strategy to help delineate organizational interests, stipulate ethical norms, and decrease unethical financial behavior. This finding is confirmed by Raimo et al. (2021), emphasizing that auditing processes and policies improve disclosures and promote the dissemination of higher quality information.

Applications to Professional Practice

Adherence to ethical and regulatory reporting requirements is critical for nonprofit organizations in promoting ethical conduct within the organization. Adhering to these requirements also ensures compliance with federal, state, and local authorities. Nonprofit organizations are subject to regulatory reporting requirements to maintain their tax-exempt status and to demonstrate consistency in their operations (Internal Revenue Service, 2022a). When nonprofit organizations show consistency, they demonstrate ethical compliance, deterring misconduct and promoting trust between the organization, leadership, and stakeholders.

Nonprofit leaders' communication and transparency foster accountability and impede unethical financial management activities since allocating resources is an open book to all stakeholders. Communicating leadership vision and strategy and being transparent about who the organization supports and how they spend their funding is essential to the survival and growth of nonprofit organizations. Trust and competence are vital characteristics in nonprofit organizations, and there is a need to reinforce this image;

therefore, transparent leadership might foster trust between leadership and the staff (Woodroof et al., 2021. Communication and transparency could help nonprofit organizations preserve donor trust and create positive relationships between leadership and stakeholders.

Adequate oversight or governance of nonprofit organizations promotes accountability and deters ethical financial management misconduct. Oversight and governance extend past core business practices and require leadership commitment and adherence to legal standards to ensure ethical stewardship. Proper governance is a requirement in a traditional nonprofit setting to ensure the nonprofit organization remains compliant (Piscitelli et al., 2020). Absent adequate governance and oversight, nonprofit organizations risk losing trust, reputation, donors, and other stakeholder support.

Finally, for nonprofit organizations, implementing and adhering to policies, procedures, or protocols demonstrates their commitment to enforcing ethical standards. These policies set the criterion for hiring ethical management and staff and running ethical operations, with translates to respect and trust from donors and the community. Establishing policies and procedures measures lessen the chances of unethical conduct in nonprofit organizations (Archambeault & Webber, 2018). Even implementing basic policies shows all stakeholders that the organization is serious about operating in a consistent manner when different situations arise and that everyone involved is apprised of the organization’s expectations.

Implications for Social Change

Nonprofit organizations provide essential products and services for those in need in our communities. Ethical behaviors of nonprofit leadership impact consumer support vital in securing and maintaining funding for these programs. The social change impact includes nonprofit organizations' ability to regain or increase stakeholder and donor confidence, positively affecting financial support. This increase in financial support could improve the scope and quality of services for the individuals and communities that the organizations serve. The implications for positive social changes resulting from this study include the potential for nonprofit organizational leaders to maintain and grow their organizations, support clients in the community, and thus improve their client's quality of life through the nonprofit services provided. This study on strategies to decrease unethical financial management behavior in nonprofit organizations could also offer enhancements to the work/life balance of nonprofit leaders and staff by reducing workplace stressors driven by inefficiencies resulting from unethical behaviors, benefitting the organization and the clients served in the community. Strategies for decreasing unethical financial management behaviors could also affect social change by giving nonprofit leaders more insight to focus on the drivers that impede long-term organizational sustainability, improving trust among stakeholders, and enhancing their organization's brand.

Recommendations for Action

Based on these findings, some nonprofit leaders have the knowledge needed to help other nonprofit leaders decrease unethical financial management behaviors.

However, there is much work ahead. The findings provide revelation on areas that nonprofit organizations may focus on strategically reducing unethical conduct: a connection between (a) ethical and regulatory reporting requirements, (b) communication and transparency, (c) oversight, and (d) policies, procedures, or protocols such as separation or segregation of duties or checks and balances. Nonprofit leaders can use this information to enhance the ethical culture within their organizations.

First, I recommend that nonprofit organizations ensure that their organizations conduct comprehensive reviews of unethical financial management occurrences and that they ensure meeting ethical and regulatory reporting requirements. Otherwise, non-compliance can result in negative consequences manifested in regulatory fines, reputational damage, scrutiny by regulators and government audits, and even legal actions. Second, I recommend that nonprofit organizations conduct a review of the effectiveness of their oversight. Without adequate, proactive oversight, their organizations can easily become entangled in unethical mishaps and lose sight of their mission to provide valuable services for those in need in the community. Also, effective nonprofit oversight may help eradicate some of the eroded public confidence in nonprofit leadership, which deters potential donor support. Finally, I recommend that nonprofit organizations improve the dissemination of their protocol for ethical regulations, guidelines, policies, procedures, or standards, thereby improving leadership's understanding. If the regulations and guidelines are ambiguous, leaders may not comprehend the full ramifications of exhibiting unethical behavior. The study findings might benefit a nonprofit audience in literature publications, trade conferences, nonprofit staff, and leadership training events.

Recommendations for Further Research

The findings from this study provide important information; however, there are some limitations. First, the findings included the perspectives of three nonprofit organizational leaders. Therefore, the findings may apply to similar nonprofit organizations in any demographic area but are not generalizable to all nonprofit organizations. Secondly, although the sample size of three purposefully chosen participants meets qualitative study requirements, increasing the sample size or using other sampling methods in broader demography may produce more generalizable results. Third, future studies may better explore information that expands the understanding of why unethical financial management conduct occurs in nonprofit organizations. Finally, future studies on the possible negative consequences of unethical financial management conduct on nonprofit organizations may provide insight for deterrents to unethical financial management misconduct.

Reflections

It was informative and fascinating to interview nonprofit organization leaders to better understand their strategies to decrease unethical financial management behavior. Each study component proved rewarding and challenging. With more than 20 years of experience in nonprofit board governance, I had some preconceived ideas on the study expectations. However, I learned how to bracket my biases to maintain a scholarly, objective approach to the research, which proved invaluable during the research process to better understand the ethical issues nonprofit organizations face in their daily operations.

The doctoral study process was a learning experience. I learned the value of applying a structured, unbiased approach to overcome challenges. The process was challenging, from initial writing to re-writes to the final approval. These challenges helped lend a new perspective that patience and having a great attitude were the key to my surviving the process. I feel like I have grown as an individual, as I gained an intrinsic motivation to work through any challenges that I may face.

This study helped expand my knowledge on decreasing unethical financial management behavior and gave an awareness of what practices nonprofit organizations need to adapt to endure. Hebrews 10:36 (New Living Translation) reads, "Patient endurance is what you need now so that you will continue to do God's will. Then you will receive all that he has promised." That scripture lets me know that things may not come as fast as I want them to, but God’s promises are right on time! Selah.

Conclusion

Unethical financial management behavior continues to be a nonprofit organizational problem. The findings of this doctoral study reveal no new practices to foster ethical behavior. However, nonprofit organizations with strategies to decrease unethical financial management behavior are better positioned to operate with a lesser likelihood of unethical occurrences. The purpose of this qualitative multiple case study was to explore strategies that nonprofit organization leaders use to decrease unethical financial management conduct. Occurrences of unethical behavior in nonprofit leadership may adversely impact consumer support needed for securing and sustaining the funding necessary to keep these programs operating. The findings may benefit nonprofit leaders for awareness and strategy development to integrate with the organization's sustainability strategy and enhance overall organizational effectiveness.

After completing the transcription, member checking, analysis, and triangulation, four themes emerged: (a) ethical and regulatory reporting requirements, (b) communication and transparency, (c) oversight and governance, and (d) policies, procedures, or protocols. These themes were consistent with the information synthesized in the literature review. The conceptual framework tenets address the essentiality of ethical leadership and delineate organizational challenges in fostering ethical behaviors. Nonprofit organizations may also use the strategies to reduce operational risk and enhance leadership oversight.

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Appendix A: Interview Protocol

1. Introduce myself to the participant
2. Review the purpose of the research
3. Present the consent form, explain content, and answer any questions from the participant, if needed
4. Remind participant that I will record the interview
5. Turn on the recording device
6. Follow procedure to introduce the participant to the pseudonym/coded identification
7. Note the date and time before beginning the interview, starting with question one through the final question. Follow-up with additional probing questions, as needed.
8. End the interview sequence and discuss member checking with the participant
9. Thank the participant for their contribution to the study.
10. Obtain contact numbers for follow-up questions and member checking with the participant.
11. Conclude the interview and turn off the recording device.
12. End protocol

Interview Questions

1. What strategies have you used to reduce unethical financial management from occurring within your organization?

2. What, if any, motivation strategies have you utilized in implementing ethical financial conduct within your organization?
3. What strategies have worked best for improving the management of processes for controlling and improving financial conduct in your organization?
4. After implementing these strategies to prevent and control unethical financial management conduct, how have occurrences decreased?
5. From your experience, how important were internal control strategies in creating an ethical culture within your nonprofit organization?
6. What additional information would you like to share about strategies used to decrease and control unethical financial management conduct in your organization?

Appendix B: Email Request to Interview Participant

From: Cristi M. Hargrave

Sent: [Date/Time]

To: Non-profit Organizational Leader

Subject: Interview of Leaders Who Have Implemented Successful Strategies to Decrease Unethical Financial Management Behavior

Dear Sir or Madam:

I am writing this email to request your participation in an interview about your successful leadership strategies in decreasing unethical financial conduct within your nonprofit organization.

As you know, nonprofit organizations ensure that they meet strict quality and ethical standards. As participants in the nonprofit arena, these strategies may provide meaningful feedback that helps member organizations and the community, working together in providing excellent service to individuals in need of our goods and services.

Your responses to this interview will help me identify effective strategies in decreasing unethical financial conduct within nonprofit organizations so that nonprofit organizations may create better policies and practices and improve their service to the community. The interview will not take more than 1 hour to answer. Your participation is entirely voluntary, and all of your responses are confidential. No personal or identifiable information will connect you to any reports on the data collected.

Should you have any comments or questions, please feel free to contact me at [redacted] or [redacted]

Sincerely,

Cristi M. Hargrave,
Doctoral Candidate at Walden University