ADVANCED DIMENSIONS OF SERIOUS FRAUDS IN CORPORATE GOVERNANCE: A MULTIDISCIPLINARY ANALYSIS

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DEDICATION

I dedicate this report to my parents, family members and all my well-wishers.

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ABSTRACT

ADVANCED DIMENSIONS OF SERIOUS FRAUDS IN CORPORATE GOVERNANCE: A MULTIDISCIPLINARY ANALYSIS

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Ensuring high-quality financial reporting is crucial to maintain stakeholder trust following major financial scandals. The fraudulent financial activities of a company can have substantial adverse effects on the overall economy, investors, workers, clients, and vendors. There has been a lot of debate in recent years about the methods that can be used to stop or expose unethical and opportunistic actions by companies. This study offers a thorough examination of corporate governance and its consequences for effectively combating fraud in organizational settings. The study highlights the crucial significance of corporate governance, which is confirmed by using Cronbach's Alpha to evaluate the reliability of survey instruments that measure different aspects related to governance awareness, types and causes of fraud, advanced fraud dimensions, governance effectiveness, technology integration, and recommendations for improvement. The internal consistency across these categories was thoroughly evaluated, revealing strong Cronbach's Alpha coefficients that indicate a high level of reliability and coherence among the survey items. The results confirm the dependability of assessments related to understanding of corporate governance, types of fraud, and proposals for reform. Additionally, the integration of technology and the efficacy of governance also exhibit appropriate levels of reliability. The results of this study establish a strong basis for comprehending the viewpoints of employees on governance processes and awareness of fraud. This will enable well-informed strategic choices to be made in order to improve the integrity, compliance, and resilience of the firm. Furthermore, the regression analysis demonstrates a significant correlation between corporate governance standards and instances of corporate fraud, suggesting that enhancements in governance are linked to reported reductions in fraud incidents. Corporate governance variables account for a significant proportion (40.2%) of the variation in fraud incidences, highlighting their crucial role in preventing fraud within firms.

Future research should give priority to conducting longitudinal studies in order to evaluate the long-term effects of governance improvements on fraud prevention. Additionally, cross-industry analyses should be conducted to identify governance challenges that are specific to different sectors. Qualitative investigations should be carried out to examine the organizational contexts and stakeholder perceptions related to fraud prevention. Furthermore, research should explore the use of emerging technologies in governance and strategies for preventing fraud. Furthermore, by assessing the efficacy of training programs, analyzing the dynamics of global governance, and evaluating the impact of regulatory changes and environmental, social, and governance factors on governance frameworks, a deeper understanding can be gained. This understanding can then be used to mitigate fraud risks and promote ethical behavior in various organizational contexts. Researchers and professionals are urged to focus on filling in research gaps and promoting collaboration across different disciplines in order to enhance understanding, create strategies based on evidence, and contribute to the continuous improvement of effective governance frameworks and fraud management practices worldwide. This proactive strategy will help firms effectively navigate the intricacies of governance, improve transparency, and protect organizational integrity in a rapidly changing and linked business environment.

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LIST OF ABBREVIATIONS

CG	....	Corporate governance
GMS	....	Governance Management System
FA	....	forensic accounting
FRA	....	Forensic Audit
FRM	....	Fraud Threat Management
CEO	....	Chief Executive Officer
AC	....	Audit Committee
BoD	....	Board of Directors
TM	....	Top Management
CF	....	Corporate Fraud
GCG	....	Good Corporate Governance
EM	....	Earnings Management
CIMA	....	Chartered Institute of Management Accountants
UK	....	United Kindom
FRC	....	Financial Reporting Council
CSR	....	Corporate Social Responsibility
US	....	United States
UAE	....	United Arab Emirates

CFO	....	Chief Financial Officer
ISA	....	International Standards on Auditing
FI	....	Financial Institutes
ACFE	....	Association of Certified Fraud Examiners
SM	....	Senior Management
ICW	....	Indonesia Corruption Watch
ATM	....	automated teller machines
IT	....	Information and Technology
IFRS	....	International Financial Reporting Standards
GAAP	....	Generally Accepted Accounting Principles
ISAB	....	International Accounting Standards Board
FAP	....	Financial Accounting Practice
COSO	....	Committee of Sponsoring Organisations of the Treadway Commission
CBI	....	Central Bureau of Investigation
RMC	....	Risk Management Committee
ERM	....	Enterprise Risk Management
IG	....	Information Governance
PRISMA	....	Preferred Reporting Items for Systematic Reviews and Meta-Analyses

SPSS .... Statistical Package for the Social Sciences

ISO .... International Organization for Standardization

IRB .... Institutional Review Board

ANOVA .... Analysis of Variance

CHAPTER – I

INTRODUCTION

1.1 Relevant Background

Protests for stricter Corporate Governance (CG) have persisted due to the proliferation of dishonest practices and the introduction of novel approaches. It is often necessary to employ a more strategic approach in order to raise the level of CG, which is sometimes prompted by noteworthy instances of governance failures. The introduction of forensic accounting (FA) inside the governance management system (GMS) in the shape of a preventative measure and also the enforcement of FRA as an obligatory control are two examples of the strategic enhancements that might be characterised as being included in this category. In order for an organisation to function properly, it is necessary for there to be effective CG. As a result, it is more prudent to deliver a concise CG explanation before digging into the complexities of CG.

With new practices appearing and fraudulent activities becoming more common, it is crucial and necessary that CG undergo constant growth. In most cases, responses to significant governance failures bring about improvements; thus, a more strategic approach is needed to fortify CG reforms. Both incorporation of FA's preventative role into a governance management system (GMS) and the mandated implementation of FRA as a control are examples of the strategic reforms that have been discussed previously.

Despite the existence of CG rules, regulatory organisations, and traditional auditors, the stated monetary worth of fraudulent incidents continues to steadily increase on an annual basis. In addition to divergent expectations, new developments in computer vision and fraud detection were necessitated by the persistent and severe fraudulent activities. One way to increase fraud detection is to use FRA approaches. Another way is to integrate the FA's preventative role with GMSs (Rehman and Hashim, 2019).

Rather of capitalising on the potential of codes of CG to achieve the desired goal of shareholder pleasure, firms in the modern business landscape typically deploy these codes for the purpose of assuring compliance with the regulations. A few of the qualities that can be a barrier to the achievement of GCG include insufficiently developed regulations, the absence of CG standards, and dishonesty, openness, and integrity inside financial reporting (FR), threat assessment systems that are ineffective and inefficient, and boards that are not independent. The presence of these characteristics not only helps to prevent fraudulent acts, but they also make the repercussions of insufficient CG much more severe.

In spite of the fact that FRA is an essential component of effective CG, it is usually ignored (Rehman & Hashim, 2018). In addition, a recent survey revealed that the amount of money being spent on managing the threat of fraud is not keeping pace with the rising cost of fraud. Furthermore, the majority of organisations are not executing any form of fraud threat manageooment (FRM) at all. One of the components of FRM is called FRA, and its primary focus is on the development of controls that are related with the identification and prevention of fraud. In addition, FRA provides assistance to organisations in the process of developing controls donating to the achievement of CG objectives. This is accomplished by spotting areas having the prospective to positively impact the fulfilment of organisational goals.

The aim of the CG is to develop a system of checks along with balances in order to protect external investors from any potential misbehaviour committed by insiders. Habib and Jiang (2015) believe that the economic growth of the firm is a positive component of a robust CG framework that supports financial statements' dependability. This is because the framework ensures that the company is able to grow economically. Shareholders are provided with relevant information regarding the management of an organisation as well as its current financial state through the use of FR. Despite the fact that beneficiaries are given access to secret business data, it is palpable that managers, notably the CEO, do not have adequate incentive to disclose accurate financial data inside statements (Caprio et al. 2012). This is the case even when the beneficiaries are provided with access to the information. The insolvencies of businesses that are caused by accounting fraud give rise to significant concerns regarding the trustworthiness of financial statements along with audits, and the ethical behaviour of management and auditors, and the efficiency of internal controls, along with the impact of CG.

Notable corporate cases that occurred in recent times have offered evidence that strong CG can be a protective mechanism against fraudulent FR and illegal money laundering. FR fraud is at an all-time high, and it is affecting approximately fifty percent of people that are afflicted. CG and its constituent elements have a significant impact on fraud rates because they lessen the threat of fraudulent FR and money laundering, which in turn strengthens confidence in accounting data (Razali and Arshad, 2014). Their influence on fraud rates is tremendous. The project's main goal is to look into suspicious machine learning transactions. In view of the current economic slump that is occurring all over the world, it is of the utmost importance to conduct an investigation into this subject using the lens of responsible CG (Achim et al. 2021).

It has been shown via previous studies that the attributes of the audit committee (AC) along with board impact the financial accounts due to their significant influence. As stated by Brazel (2018), ACs have the ability to reduce the likelihood of money laundering and fraud by combining both financial and non-financial measures into their operations. The purpose of the AC is to improve the standard of audits in order to lessen the threat of individuals engaging in fraudulent happenings and laundering money. Patterson et al. (2019) found that the duration an auditor spends on a certain task has a substantial influence on the effectiveness of machine learning methods and the ability to detect and prevent fraud. In addition, it is expected of auditors that they be in possession of specified qualities.

1.1.1 The Concept of Corporation and Corporate Governance

The term "Corporation" refers to a group of individuals working together. This word "Corporation" originates from the Latin word "Corpus," which means "corporation." These entities are able to do business in their own name as artificial entities and have the requisite legal rights, like the ability to possess property along with the ability to sue or even be sued as an entity that is independent from investors (Garg, 2022). In light of this, a firm possesses its own distinct personality and has the ability to be a party to contracts that include rights and obligations. In the absence of liquidation, a corporation may continue to exist for an unlimited period of time. There is also the possibility of forming a business with limited liability, which means that the obligation of investors and shareholders is restricted to the amount that they have contributed. When it comes to organisations, the corporate form is comprised of a broad group of stakeholders, including customers, employees, creditors, investors, and the government, among others. It is the primary goal of an organisation to provide service to society as a whole in such a way that the business also creates profits for its investors. The fact that ownership and management are kept separate might be considered to be one of the most significant aspects of the organisations. By effectively separating ownership and management, it is possible to pool a significant amount of wealth, which is something that a single individual would not be able to financially afford. It is conceivable to collect a modest sum from the savings of a large number of people to achieve rapid economic growth. This is because the savings of a large number of people are increasing, and there is a possibility that pooled money will yield a high return. Nevertheless, this results in a difficulty for the agency, which constitutes a challenge that must be controlled by the implementation of a complex set of rules and regulations. Owing to the split-up of ownership and management, there is an increased level of complexity in the process of aligning the objectives of management with those of the investor and other stakeholders. In order to meet the ever-increasing demands for finances as a result of constantly developing companies, it is necessary to increase the confidence and dependability of their entities among investors. The existence of substantial evidence demonstrates that a firm that is properly governed is able to enjoy a significant level of premium in the stock market. The investors in equity take on a significant level of threat since the only way they can guarantee a certain amount of return is if there is something left over after all of the other expenses have been paid. In the event that expenses happen to be more than income, the equity owner will not receive any return on their investment. In the case of family-owned businesses, it is also usually necessary to maintain a separation between ownership and management. This is due to the fact that family-owned businesses may require additional sources of funding in order to expand, or they may lack the necessary skills for managing the business (Saini, 2020).

In more recent periods, notably over the course of the past two or three decades, the focus of organisations has shifted away from exclusively defending the interests of owner shareholders and towards striking a balance between the competing interests of a wide variety of stakeholders. One of the goals of best practices of CG is to increase the public's confidence and to guarantee the effective utilisation of national resources while simultaneously achieving the requirements of the most desirable practices of CG.

1.1.2 Financial Fraud

Fraud is the intentional behaviour of a party or individual with the aim of gaining benefits, avoiding obligations, or causing financial or non-financial damage to another party. Fraud refers to the deliberate and deceptive actions undertaken by individuals or a collective group to acquire an unfair advantage within an organisation. Fraud can be perpetrated by individuals within or outside the organisation through the creation of fraudulent financial statements, with the intention of enticing individuals to invest inside the firm (Xu, Zhang, & Chen, 2018). The document titled "Statement on Auditing Standards 99: Consideration of Fraud in a Financial Statement" An audit identifies fraud as a deliberate action that leads to a significant error in financial reports. This can occur through the manipulation of accounting records, theft of corporate assets, fraudulent spending, and other similar activities. The corporate environment can exert pressure on individuals who value honesty, leading them to engage in the act of deliberately making false assertions in financial reports. Fraudulent actions, such as theft, corruption, bribery, embezzlement, and money laundering, result in financial losses for corporations. The organisation is called the Chartered Institute of Management Accountants. Fraud significantly undermines the profitability, reputation, and validity of companies worldwide. Fraud has detrimental effects on the performance of many organisations, perpetrated by stakeholders such as the AC, BoD, top management (TM), and employees, and auditors, pensioners, shareholders, and creditors.

Organisations place a high level of importance on identifying and preventing corporate fraud (CF). The current, comprehensive, and extensive literature on fraud detection and prevention is inadequate. This indicates the need for further investigation in order to have a more comprehensive understanding of the different forms, origins, and consequences of fraud. Extensive investigation was conducted on fraud detection and prevention as separate entities. However, a lack of study persists in exploring the combination of different fraud types and the corresponding methodologies for detecting and preventing them (Maragno & Borba, 2017). This data inspired us to expand our understanding and delve into the realm of CF. The third goal is to facilitate future investigation by grasping the underlying causes along with consequences of these fraudulent activities.

Economic along with financial crimes refer to a broad spectrum of illicit behaviours, like tax evasion, money laundering and fraud. Almost all fraudulent actions took place as internal fraud inside financial organisations. The reason for executives to commit financial statement fraud arises from the desire to enhance the organization's market position by reporting positive financial performance or to acquire low-cost funding. White-collar crime pertains to illicit actions conducted by those in positions of power or higher-ranking members of an organisation with the intention of personal gain. Occupational or employee crime refers to illegal activities carried out by individuals within an organisation, specifically those in positions of authority or lower rank, with the intention of benefiting themselves at the expense of the organisation. Occupational crime refers to the actions of individuals or groups who conduct crimes with the intention of benefiting themselves, rather than benefiting the organisation they are associated with, even though they may appear to be devoted to the organisation.

The shortcomings of a CG structure can give rise to opportunities and motivations for engaging in financial statement fraud, primarily with the awareness or involvement of senior management. The system's deficiencies are related to the composition of the board of directors (BoD), the audit committee (AC), external auditors, as well as executive compensation based on incentives, among other issues. The BoD is entrusted by stakeholders having the responsibility of building a robust system and supervising the adherence of TM to that system. Their primary task is to minimise the threat of fraud and restrict management's freedom in making decisions that violate governance standards. The influence of TM on BoD's decisions can be mitigated by appointing outsider members and ensuring that the chairman of the board is not from the TM. Companies having a lower number of independent board members, a less diverse AC, and a high incidence of auditor turnover are more prone to be tangled in financial statement fraud (Rashid et al., 2022).

Financial system abuse has detrimental effects on a country's macroeconomic performance, causing welfare losses and perhaps causing negative externalities right across borders (International Monetary Fund). It has the potential to directly or indirectly impact and modify the allocation of resources and distribution of wealth within a nation. The growth in opportunity for these crimes can be attributed to globalisation, financial markets' diversification, and advancements inside technology. Money laundering, which involves the illicit transfer of currency across borders and financial institutions, can have a detrimental impact on interest alongside currency rates, along with these institutions' stability. Ultimately, this weakens a nation's economic policies. The adverse consequences of these financial crimes and their economic ramifications would mostly impact individual citizens. Instances of fraudulent behaviour are taking place in specific marketplaces, leading to substantial financial losses for individuals in terms of their emotional well-being, relationships physical health, security and savings.

Multiple studies have demonstrated and examined various strategies to mitigate and identify instances of CF. Detecting fraud is challenging due to the absence of a universally agreed-upon description of reasonable assurance, limits in audit techniques, and financial constraints. Every employee bears the obligation of preventing and detecting fraud. The division of control along with ownership improves the efficient supervision and management control to safeguard the welfares of investors and also stakeholders.

1.1.3 Types of financial fraud

Corporate fraud is commonly executed by exploiting secret information or even access to sensitive assets, and then using those assets for personal gain. This fraudulent activity can be carried out in various ways. Fraudulent activities are frequently concealed within lawful business processes or transactions in order to camouflage unlawful behaviour. Corporate fraud can be shielded by a group of colluding individuals when multiple interests are involved.

As an illustration, a firm may manipulate its financial accounting records to portray a perception of substantial sales and profits in contrast to the true financial outcomes. These measures may be implemented to conceal deficiencies such as a negative net income, sluggish revenue growth, decreasing sales, or substantial expenditures. Falsified accounting may be employed with the intention of enhancing the appeal of a company to potential purchasers or investors, or as a means of safeguarding the stock or valuation of a public company from declining.

Additional types of CF may seek to conceal or distort a service or even a product that the firm is creating or even is already offering, concealing any flaws or imperfections it may have. Instead of allocating resources to repair, refurbish, or rethink the product, individuals in charge of the product try to divert attention or conceal these problems. This might be done if the department or organisation lacks the financial resources to address the problem or if disclosing the issue could result in the loss of consumers and investors.

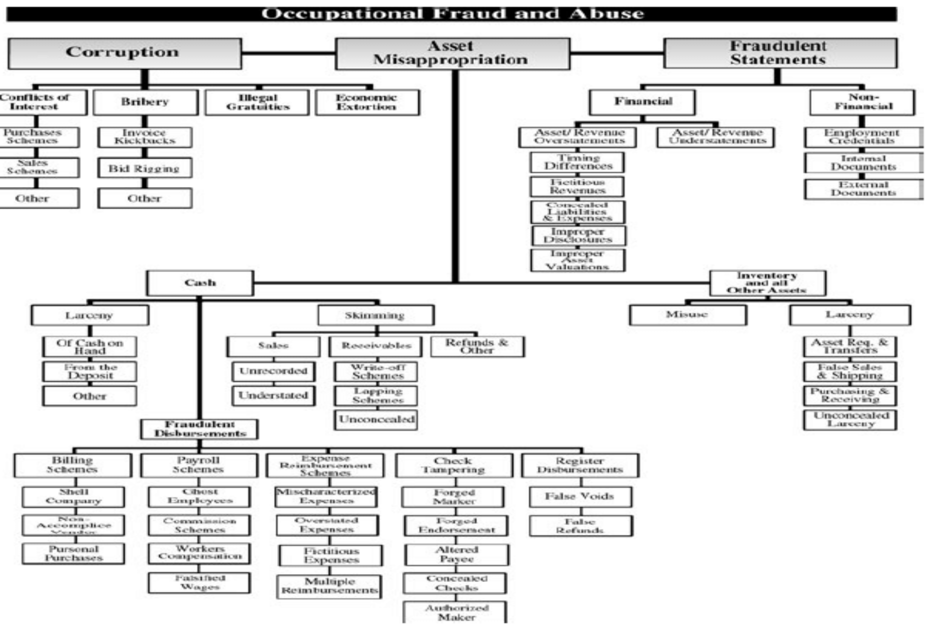

Figure 1.1: Fraud tree (Source: Okoye, 2016)

1.1.4 Effect of CG on Corporate Frauds

The occurrence of significant financial scandals like Enron, Worldcom, and Wirecard underscores the importance of upholding a rigorous standard of financial reporting quality to cultivate trust among stakeholders. Financial misbehaviour by a firm can have significant adverse bearing on capital providers, employees, customers, suppliers, along with the overall economy. Yet, recently, there have been numerous contentious debates over the procedures that might be employed to prevent or detect unethical and opportunistic behaviour by companies. This systematic literature analysis focuses on the association between CG and occurrences of financial misconduct in firms, using archival study as the primary method. In accordance with the findings of Amiram (2018), we define financial misconduct by firms as the violation of accounting regulations and standards, as well as relevant business laws, at either the national or international level. Therefore, we differentiate between the act of manipulating earnings and the financial misbehaviour of companies. We acknowledge that discretionary accruals and associated indicators of earnings manipulation might serve as strong predictors of financial wrongdoing by firms, creating a blurred line across earnings management (EM) and breaches of accounting norms. The literature on US-American lit. does not provide a distinct distinction across EM and infractions. However, the Continental European accounting lit. emphasises that EM is in accordance with the applicable laws and standards (Hirschler, 2021).

Grounded in Jain and Jamali's (2016) CG paradigm, we categorise our CG variables right into four levels: group, and person, and firm, along with institutional. So, financial restatements, and fraud occurrences, along with enforcement activities are the three primary forms of financial wrongdoing done by corporations, posing a noteworthy threat to all capital markets. So, restatements can occur not just due to fraud but also as a consequence of inadvertent errors. Financial scandals within organisations result in diminished trust among corporations, and gatekeepers, and market participants, along with other stakeholder groups. This is due to the potential consequences of these scandals becoming public, including as bankruptcy or severe financial difficulties for the firms involved. Empirical research suggests that negative financial implications, such as significant declines in firm valuation, higher capital expenses, and more CEO turnover, are likely to occur (Habib, 2020). Various national along with international lawmakers, like the European Commission and the British Government, are actively deliberating on forthcoming legislation regarding CG. These regulations may include topics such as whistleblower systems and threat management tools.

Prior to delving into the function of CG in preventing fraud, it is crucial to grasp the meaning of CG and its connection to the agency theory. CG pertains to the manner in which organisations are managed and overseen. As per CIMA, 2015, governance is the whole management and operation of an organisation, with a specific emphasis on responsibility, and integrity, along with threat management. So, there are distinct areas of accountability for ethical matters that immediately extend to the board level. Research suggests that the primary interpretation of CG is based on the standpoint of agency theory. An ongoing and essential challenge in modern CG is the agency dilemma, which occurs when ownership and control are separated. Agency theory, formulated by Jensen and Meckling (1976), characterises the agency relationship to be a contractual arrangement across a business's owners along with its managers, wherein, the owners, acting as principals, delegate the task of managing the company to agents, who are the managers. As part of this agreement, the owners are required to assign choice-making authority right to the management. The presence of this delegation gives rise to concerns regarding the trust between the principal and agent, as a result of the uneven distribution of knowledge and divergent motivations. Consequently, it is imperative to establish efficient CG structures to align principals along with agents’ interests (Kassem, 2022).

A company's goals should be efficiently achieved and stakeholders should have faith in the organization's ethical behaviour; this is the main goal of corporate governance (ICSA, 2020). But it's not only the job of the board of directors and management to keep stakeholders' faith and the company's future in the company. Legislation, competent audit committees, employees, and trustworthy auditors are all essential components of sound corporate governance. In order to be in compliance with the UK Code of Corporate Governance, a company must have competent board leadership, accurate and unbiased financial reporting (devoid of fraud and mistakes), robust controls and risk management systems, audits that are both efficient and independent, fair compensation for directors, and a focus on building positive relationships with shareholders. FRC, also known as the FIRST Robotics Competition, took place in the years 2016 and 2018. In essence, CG refers to the framework through which a company is managed and supervised. Corporate governance encompasses the operational and ethical practices of the BoD and management, including their commitment to integrity, and ethics, along with CSR. It also involves assessing the adequacy of internal controls alongside threat management systems, evaluating the performance of ACs and auditors, and maintaining accountability inside the organisation. Therefore, this discussion will focus on how CG may effectively combat fraud, considering the broader framework of CG.

Existing literature provides evidence of a correlation between efficient CG processes and the probability of fraud. Studies indicate that fraud threat is influenced by CG, and Gam (2021) demonstrate a direct correlation across harmfull CG and CF. Several studies have discovered that certain organisations are capable of utilising efficient CG processes to enhance their reputation following the detection of fraud. Research indicates a statistically significant correlation between instances of fraud-related restatements and subsequent modifications made to enhance the governance structures of companies. Following allegations of fraud, companies have raised the percentage of external members on their boards of directors along with monitoring committees.

Multiple studies offer proof that efficient CG diminishes the likelihood of fraud, namely insider fraud, and CF, along with asset diversion. Effective governance mitigates the misallocation of resources. Asset diversion is a technique employed inside insurance fraud where the assets of an insurance business are stolen (Scheetz et al., 2021). Implementing effective CG measures helps mitigate instances of insider fraud within the Malaysian banking sector. Implementing efficient CG practices can effectively mitigate the threat of fraud in Thailand. Similarly, research has shown that improved public governance decreases the probability of engaging in fraudulent activities in China. In the UAE, CG can only play a limited role in detecting and combating fraud. Still, studies show that sloppy CG makes fraud more likely and makes it easier to evade detection (Akkeren, 2017).

1.1.4.1 Board of Directors (BoD)

One of the most important things that the BoD and TM can do to reduce the likelihood of fraud in a company is to implement fraud prevention measures. A "control environment" or "tone at the top" describes the atmosphere or culture that is created by the executives and upper management. Both expressions describe the leadership-created culture of honesty and morality in the company. An entity's internal control system relies heavily on the control environment, which sets the tone for the whole organisation and shapes the way people think about control. According to the Treadway Commission's Committee of Sponsoring Organisations, TM's capacity to hold individuals accountable, their degree of engagement and participation within the organisation, and their unfaltering dedication to competence, honesty, and ethical behaviour are critical components of an effective control environment. The prevention of fraud along with unethical activity begins with the leadership of the organisation. Exemplary TM will set a strong example, and discourage unethical and fraudulent conduct, and fulfil their tasks effectively. When senior management establishes a tone that promotes ethics alongside integrity, employees are more likely to adhere to those same ethical ideals. Nevertheless, if upper-level executives display a lack of care regarding ethical standards and fraudulent activities, staff may perceive this as a chance to engage in fraudulent behaviour against the organisation (Kassem, 2022).

1.1.4.2 Characteristics of BoD

A number of studies have linked board characteristics and structure—specifically, the level of board independence—to the probability of fraud. In order to understand fraudulent conduct, the qualities of a board are crucial. More specifically, the ratio of independent to executive directors, the regularity of board meetings, and the length of time the chairman has been in office are all factors that increase the likelihood of fraud. A lower likelihood of corporate fraud in the US is associated with an increase in the proportion of independent outside members on the board of members, audit committee, and remuneration committee, according to research. The risk of fraud diminishes in proportion to the number of independent directors.

The literature acknowledges the importance of board diversity, specifically diverse genders, in addressing corruption. Gender diversity on corporate boards can be indispensable in regulating the occurrence of fraudulent activities. Moreover, women have proven to be more efficient in male-dominated industries when it comes to decreasing the incidence and severity of fraud inside China. There is a correlation between the rise in female presence on corporate boards and a reduced likelihood of fraudulent activities in Australia. Luo et al. (2020) found that in China, enterprises led by female CFOs have a lower propensity for engaging in fraudulent activities compared to firms led by male CFOs. Ghafoor et al. (2019) suggest that having women on the BoD can effectively supervise and control activities, leading to a decrease in fraudulent behaviour. Boardroom ethics, disclosure of conflicts of interest, code of ethics creation, and stakeholder orientation were all positively affected by more female representation, according to research by (Briano-Turrent, 2021).

1.1.4.3 Ownership structure

The probability of participating in securities fraud is inversely related to state ownership, according to Shi et al. (2020). When cases of securities fraud are discovered, CEOs at companies with a high level of state ownership are more likely to be fired than CEOs at companies with low or no state control. A study conducted in South Korea by Choi et al. (2020) investigates the possible link between company ownership patterns and the occurrence of corporate fraud (CF). Because the controlling owner's cash-flow rights declined more sharply in central companies than in non-central firms, the study concluded that the prevalence of CF decreased more sharply in the former.

1.1.4.4 Accountability

From the standpoint of agency theory, accountability refers to the obligation to provide a detailed report to the principals, including the accomplishments and outcomes. One way to address the agency problem and prevent management from engaging in fraudulent behaviour is to have strong accountability measures in place. This is so because it provides more of a financial incentive for management to conduct themselves in a way that maximises value for shareholders. These motivations encompass the acquisition of rewards or the avoidance of punishments. Lack of accountability enforcement heightens the likelihood of fraud by enabling fraudsters and their collaborators to evade appropriate penalties for their crimes. However, it sends an inaccurate message about the organization's acceptance of fraud, so promoting others to engage in fraudulent activities without considering the repercussions. Consequently, responsibility is the bedrock of a sound system of corporate governance (Kassem, 2021).

1.1.4.5 Auditors and Audit Committees

Integrity auditors, whether internal or external, are crucial in lowering the probability of fraudulent activities. According to the 2005 report from the Institute of Chartered Accountants in the US, audits are essential for protecting the public interest because they increase accountability and build faith in financial reporting. The economy is greatly impacted by audits. For this reason, it is considered a cornerstone of governmental power. According to the International Standards on Auditing, external auditors must guarantee that there are no major mistakes or fraudulent activities in the financial accounts. According to ISA240, external auditors must determine whether management is honest, assess the likelihood of fraud based on the likelihood of reasons, opportunities, and justifications for fraud, collaborate with the audit team to brainstorm potential fraud investigations, and report any suspicions of fraud immediately (Kassem, 2021).

Internal auditing provides confidence to the company by assessing and documenting the effectiveness of control systems, risk management, and governance. These systems are designed to help the business achieve its financial, compliance, operational, and strategic goals. The mission of internal auditors is to determine the likelihood of fraudulent activity and, in some instances, to provide assistance in the identification and investigation of fraudulent activities that occur within the organisation. Additionally, the reports that are produced by internal auditors can be of use to external auditors. External auditors are primarily dependent on the internal audit function when it is providing advice services for threat management and is carefully controlled by a strong audit committee, according to the findings of Cular et al. (2020), who conducted study on the topic. Alzeban (2020) found that when internal auditors report directly to the Audit Committee, financial reporting is significantly better than when they report anyplace else. However, the reliability and effectiveness of financial reporting suffer when internal auditors submit their findings to the CEO or CFO.

Specifically, DeZoort and Harrison (2018) contend that auditors play a significant part in monitoring the potential for fraud in commercial enterprises. It is generally accepted that external auditors are primarily responsible for identifying instances of fraudulent activity in financial statements, whereas internal auditors are supposed to be responsible for identifying any and all sorts of fraudulent activity. The effectiveness of fraud detection is contingent upon the collaboration that exists between internal auditors and the framework of external audits. In their study, Fera, (2022) emphasise the fact that firms that have a robust and long-lasting corporate governance framework are more likely to experience fewer major audit difficulties throughout the audit process. These problems are then documented in the audit report.

1.2 Research Problem

An increased number of key owners are connected with both a lower risk of fraudulent activities and a stronger CG, according to the evidence that has been gathered from the study that has already been conducted. On the other hand, there is a dearth of exhaustive research inquiries that investigate the particular processes that are responsible for this association. Insufficient study was conducted to investigate the ways in which elements such as knowledge asymmetry and the occupation of capital influence the association between a large number of significant shareholders and cases of corporate governance (CF). Furthermore, there is a dearth of comprehensive knowledge in the existing literature regarding how the separation of ownership and control can either strengthen or lessen the link between ownership structure and dishonest acts. For example, the separation of ownership and control can either strengthen or weaken the link. The vast bulk of the extensive empirical study that has been conducted on this subject has focused on investigating the association between particular aspects of an organization's internal governance and incidences of accounting or financial fraud. It is necessary to acknowledge this truth. Within the scope of our investigation, we intend to contribute to the existing body of knowledge by investigating the relationship that exists between various aspects of corporate governance and more serious types of corporate malfeasance. It is important for individuals to have a more holistic perspective in order to have a deeper comprehension of the ways in which internal governance norms influence various types of corporate misconduct. Consequently, this contributes to the prevention of unethical activity and makes it easier to acquire a better understanding of CG. This study was undertaken by the researcher because they were interested in gaining a deeper understanding of the ways in which exceptional CG and internal control validity influence the prevention of fraud. This course of action was decided since the findings of preceding probes were so inconsistent with one another. The purpose of this study is to explore the aforementioned variables in order to gain an understanding of the connection that exists between effective corporate governance and internal control policies and the occurrence of fraudulent activities. In addition to preventing allegations of unethical behaviour or a lack of accountability on the side of the company, effective corporate governance (CG) also makes it possible for the company to make decisions that are robust and efficient through the implementation of methodical norms, standards, and directions. The purpose of this effort is to gain a better understanding of the capacity of effective CG to reduce the number of situations in which large CFs occur.

1.3 Research Rationale

The motivation for this study stems from the inconsistencies observed in existing research regarding the impact of internal control validity and robust corporate governance (CG) on fraud prevention. Prior investigations have yielded contradictory findings, leaving an unresolved question about the effectiveness of these mechanisms in deterring fraudulent activities within organisations. This study aims to address these gaps by providing a re-evaluation of how internal control systems and exemplary corporate governance contribute to preventing fraud. Corporate governance encompasses a range of practices, principles, and frameworks designed to ensure that an organization is managed in a transparent, accountable, and ethical manner. Effective corporate governance is known to support robust decision-making processes through the implementation of systematic protocols, structured frameworks, and clear directives. These elements are crucial for establishing a culture of integrity and accountability within an organization.

Internal controls, as a key component of corporate governance, are designed to safeguard assets, ensure accurate financial reporting, and promote compliance with laws and regulations. When these controls are robust and effectively implemented, they can significantly mitigate the risk of fraudulent activities. However, the relationship between the strength of internal controls, the quality of corporate governance, and the incidence of fraud has been subject to varied interpretations in the literature. The objective of this research is to explore the intricate relationship between effective corporate governance and internal controls, and their collective impact on fraud prevention. By systematically examining how well-structured corporate governance frameworks and rigorous internal control systems function to prevent fraud, this study seeks to provide clarity on their role in reducing the occurrence of significant corporate frauds.

Effective corporate governance not only facilitates streamlined decision-making but also acts as a primary defence mechanism against unethical behavior and lapses in organizational accountability. It establishes a comprehensive oversight environment where potential misconduct can be detected and addressed promptly. This study aims to deepen the understanding of how effective corporate governance mechanisms can influence fraud prevention, thereby contributing to the development of more effective strategies and policies for combating corporate fraud. By addressing the contradictions in previous research and providing a focused analysis of the effectiveness of corporate governance and internal controls, this investigation seeks to offer valuable insights that could enhance the practical implementation of these frameworks. The ultimate goal is to strengthen the mechanisms used to prevent fraud and promote ethical behavior within organizations, thereby contributing to more resilient and accountable corporate environments.

1.4 Purpose of Research

Despite the fact that the idea of CG has been around for quite some time, the formal articulation of the contemporary notion of CG was not established until the Cadbury committee report in 1992. Since the year 1992, it has been discovered that the process of codification of CG has been evolving, and there are still a number of difficulties that have not yet been stabilised. There has been a correlation between a particular form of CG and instances of financial fraud, which has been discovered quite frequently. Numerous studies have been conducted, but they have not yet produced a conclusion that can definitively identify the precise form of CG and the connection between it and financial crimes. For the most part, there is a lack of comprehension regarding the aspects that are truly significant in increasing the likelihood of financial frauds. Prior research on the correlation between CG and financial frauds is still in its nascent phase. Most scholars have focused on analysing the composition of the Board of Directors, insider ownership, compensation packages, financial policies, and monitoring methods to comprehend the relationship between corporate governance and financial fraud. The process of understanding the mechanism of CG and the process of the development of financial frauds in organisations is one of the most appealing fields of research. One of the questions that has to be answered is how one may attain remarkable economic growth in certain countries that have a very low degree of fraudulent activities and corruption. There has been a significant amount of study conducted to demonstrate that one system of CG is preferable to another approach. Extensive research has been carried out at a macro level to identify the optimal combination of legal and regulatory frameworks for institutions, the proper codification of corporate governance norms, the suitable level of penalties for regulating corporate behaviour, and the appropriate methods of enforcing penalties. These factors play a crucial role in promoting fair and ethical practices within corporations.

A number of specific CG practices that are strongly related with financial crises or financial frauds have also been the subject of in-depth research. These studies have been conducted to determine whether or not these behaviours are present. In order to acquire a full grasp of the significance of the various components that make up the

CG system, in-depth research of certain CG practices have been carried out in a number of different settings. An apparent question that arises is whether or not a firm cannot still be considered to be complying to the best standards of suitable corporate behaviour even if it does not violate the required legal and regulatory rules of CG. To put it another way, a corporation might be in compliance with the law, but it might not be right in an objective sense. It is important to note that there is a significant distinction between rules that are plainly visible and behaviour that is actually effective. It is a well-known revelation that there is a gap between the law and the spirit that is beneath the law. In addition, this may occur on occasion as a result of regulatory requirements that are recommended rather than regulations that are mandatory.

1.5 Aim, Research Objectives and Questions

The primary goal of this study is to investigate the intricate relationships between corporate governance (CG), ethical standards, and fraud prevention in order to offer actionable insights and recommendations for improving corporate governance (CG), promoting ethical behavior, and reducing corporate fraud (CF) in Indian organizations.

- What role does the board of directors' and senior management's ethical standards and governance policies play in explaining why corporate fraud is so common in Indian companies?

- In order to decrease the likelihood of corporate fraud, what concrete steps can the board of directors and senior management take to promote an environment of honesty and responsibility?

- How do fraud risk assessments in Indian organisations often use certain methodologies and frameworks, and how do these approaches fit into the bigger picture of fraud prevention strategies?

- In order to combat fraud, what do audit committees primarily perform, and how do these duties connect to statutory mandates and global best practices?

Research Questions:

Q1: How do the ethical standards and governance policies of the board of directors and senior management influence the prevalence of corporate fraud in Indian companies?

Q2: What specific measures can the board of directors and senior management implement to foster a culture of integrity and accountability and thereby reduce the incidence of corporate fraud?

Q3: What methodologies and frameworks are commonly employed in fraud risk assessments within Indian organizations, and how do these approaches integrate into broader fraud prevention strategies?

Q4: What are the primary functions of audit committees in combating corporate fraud, and how do these functions align with statutory requirements and international best practices?

1.6 Significance of the Study

There have been a number of researches that have investigated the connection between the independence of boards of directors and the possibility of fraud. More specifically, these studies have focused on the characteristics, membership, and structure of boards, which are the second part of governance. According to the findings of their investigation, it is essential to address the issue of fraudulent activities by increasing the number of independent non-executive members serving on the Board of members, Audit Committee, and Pay Committee. The autonomy of the board makes it possible to conduct direct monitoring and oversight, which in turn reduces the number of incidents of fraud. Not only does having an independent board of directors assist reduce instances of fraudulent financial reporting, but a number of studies have demonstrated that the experience of the board, particularly in the areas of accounting and finance, can also contribute to this reduction. Also, several studies have shown that having a larger board, more frequent board meetings, and having dual board members all work together to lower the chances of fraud. According to studies on the topic of board diversity, female diversity is just as crucial as male diversity when it comes to combating fraud. Women outperform men in traditionally male-dominated fields, according to previous studies. This is because, compared to males, women are more adept in decreasing both the frequency and severity of fraudulent acts. Furthermore, a reduced likelihood of fraud is associated with a higher proportion of female board members. Not only that, companies with female CFOs are less likely to commit fraud than those with male CFOs. The results of the study show that when there are more women on boards of directors, it improves the board's ethical functioning, the transparency index for conflicts of interest, the creation of ethics codes, and the adoption of stakeholder orientation. Additionally, the inclusion of women on boards of directors contributes to the active monitoring and reduction of fraudulent activity.

In terms of the intricate interactions that exist between CG, ethical standards, and CF inside Indian organisations, the significance of this study resides in the fact that it has the ability to give useful insights to both the academic community and the business world. The significance of your research is highlighted by a number of points, including the following:

1) Addressing a Gap in Literature: This study seeks to address a notable gap in existing research by investigating the specific mechanisms via which corporate governance regulations and ethical standards influence the occurrence of corporate fraud in Indian businesses. By doing this, it addresses a crucial gap in comprehending the intricate connection between these components.

2) Informing Policy and Practice: The research findings can provide valuable insights to policymakers, regulatory agencies, and industry practitioners regarding the efficacy of existing CG systems in reducing the likelihood of fraud. This knowledge has the potential to improve current legislation and create stronger governance procedures specifically designed for the Indian environment.

3) Enhancing Corporate Integrity: The report provides practical insights for improving CG standards by recommending concrete steps that boards of directors and senior management may implement to promote a culture of honesty and accountability. Consequently, this can assist organisations in enhancing their ability to withstand and counteract fraudulent operations.

4) Contributing to Fraud Prevention Strategies: Gaining knowledge of the approaches and frameworks frequently employed in performing fraud threat assessments in Indian organisations can provide practitioners with the required tools to create more efficient fraud prevention strategies. This can lead to financial savings, the maintenance of a positive reputation, and the enhancement of confidence from stakeholders.

5) Aligning with International Best Practices: Analysing the duties and actions of ACs in regards to fraud prevention and ensuring they conform to worldwide best practices and regulatory mandates can aid in comparing performance to global standards. This comparison research can indicate specific areas in which Indian companies can improve and increase their compliance and governance procedures.

6) Relevance to Economic Growth and Stability: Given the substantial impact of CF on both economic growth and stability, particularly in emerging economies like India, the results of this study can offer vital insights for broader discussions on the promotion of ethical and responsible corporate behaviour. The research has the potential to stimulate sustainable economic development by promoting a business climate that is more transparent and accountable.

Overall, the study holds significant implications for academia, industry practitioners, policymakers, and society at large, offering actionable recommendations to strengthen CG, foster ethical conduct, and mitigate the threat of CF in Indian companies.

1.7 Thesis Structure

Chapter 1: Introduction

This chapter talks about the background of the study. It defines the major terms related to the study. It also describes the rationale, objectives and need for the study.

Chapter 2: Literature Review

This chapter includes all the previous researches that been done so far related to this topic.

Chapter 3: Methodology

This chapter encompasses the methodology that will be adapted to undertake the present study. It talks about the sampling techniques, sample size etc in detail.

Chapter 4: Results

The chapter consists of all the results gathered and analysed from the data that was collected for this study.

Chapter 5: Discussion

This chapter discusses all of the results obtained and data analysed thoroughly in order to undertake this study.

Chapter 6: Summary, Implications and Recommendations

This chapter consists of the summary of the complete study. It also talks about the implications of the results obtained in this study. It also provide suggestions and recommendations for the improvement of Corporate governance.

CHAPTER –II

REVIEW OF LITERATURE

2.1 Theoretical Framework

The theoretical framework delivers a definition of the intricate network of components that influence the connection between corporate governance (CG) and the prevention of fraudulent activities in businesses. The term "corporate governance" refers to the essential structures and procedures that are implemented to ensure that a corporation is able to function effectively and is taken accountability for its actions. The tasks and responsibilities of essential individuals engaged, in particular the Board of Directors (BOD) along with Senior Management (SM), are included in this. Not only does this include the official rules and procedures, but it also covers the duties and other obligations. A noteworthy part of the governance structure is played by the BOD, which is responsible for ensuring that the corporation is held accountable and subject to proper oversight. Independent directors have a noteworthy obligation to safeguard the interests of stakeholders by providing an objective evaluation and monitoring of management decisions for the purpose of protecting those interests. Their presence is essential for recognizing and correcting instances of fraudulent activities and financial misbehavior, which in turn helps to boost the organization's operations in terms of both their integrity and their credibility.

In addition to the duties that are assigned to the BOD, SM is accountable for the implementation of the strategic vision that was formulated by the board along with the adoption of governance rules and procedures. This involves not just the procedure of making decisions pertaining to operations, but also the obligation of ensuring that ethical principles and regulatory criteria are adhered to. It is possible to decrease issues that are associated with ownership and control's separation, along with conflicts of interest, through the allocation of tasks between the SM and the BOD. This helps to promote openness and accountability within the organization. A proactive technique for reducing fraud is to incorporate forensic accounting (FA) into the governance structure of the organization. Due to the fact that it serves both the objective of prevention and investigation, FA is an effective instrument for identifying and controlling potential fraud threats. Through the implementation of detailed threat assessments, the identification of potential warning signals, and the implementation of robust internal controls, FA improves the organization's capacity to withstand fraudulent operations. Furthermore, the specialist knowledge possessed by forensic accountants allows them to offer valuable analysis and ideas to both the BOD and SM, therefore improving their ability to protect the organization's interests. The organization's defenses against fraudulent operations are strengthened by the implementation of fraud risk management (FRM) systems. One example of this is the implementation of whistleblower systems and proactive corporate social responsibility (CSR) initiatives, both of which serve as early warning tools for identifying and correcting unethical behavior. It is possible for FRM programs to effectively minimize the threat of fraud while simultaneously increasing the trust and confidence of stakeholders in the company. This is accomplished by establishing a culture that values transparency, accountability, and ethical behavior.

In a nutshell, the theoretical framework delivers a comprehensive understanding of the interrelationships that exist between CG procedures, FA, FRM, and the prevention of fraudulent activity within companies. The significance of adopting preventative measures and collaborating with key stakeholders to safeguard the integrity of the company and promote ethical conduct is brought into focus by this. Through conducting empirical tests on hypotheses derived from this framework, this investigation looks to donate to the enlargement of the existent body of knowledge concerning successful governance practices and the influence that these practices have on fraud prevention strategies.

2.2 Theories on Corporate Governance

2.2.1 Agency Theory

This theory is widely recognized as the foundational framework for all other theories pertaining to corporate governance. This theoretical framework centers on the contractual character of the interaction between shareholders and management. Based on the theoretical framework proposed by Khan (2011), the role of shareholders as principals and management is regarded as that of agents acting on behalf of owners. Shareholders exhibit a vested interest in augmenting their wealth, but managers, while operating on behalf of shareholders, prioritize financial remuneration over solely enhancing shareholders' wealth. Hence, the emergence of a conflict of interest gives birth to an agency dilemma within the principal-agent relationship.

Various scholars and economists have classified agency difficulties into three distinct categories. The initial kind of issue is commonly referred to as the Principal-Agent Problem, which originated the operational dynamics of a sizable organization. In situations when shareholders delegate the management of business operations to managers, it is observed that managers tend to prioritize the maximization of their own compensation over the welfare of the owners. The Second type of difficulty is commonly referred to as the Principal-Principal problem. This issue arises within the context of competing interests between major and minor shareholders of large corporations. Given that the primary stakeholders possess significant voting authority, they are able to actively engage in the decision-making process to further their own interests. The Principal-Creditor Problem, classified as type 3, pertains to a dispute that arises between owners and creditors as a result of financing decisions associated with high-risk enterprises (Panda & Leepsa, 2017).

The framework of agency theory can be traced back to the economic theory proposed by Adam Smith. Adam Smith introduced the concept of separation of ownership and control, arguing that a management who has complete control over a firm's activities may lack a genuine interest in the business, as they would be investing their own funds and may exhibit neglect. Furthermore, it is imperative to ascertain whether the agent is acting in the best interest of the principal. The rationale behind this assertion is rooted in the presence of an inherent conflict of interest between the agent and principal. Furthermore, the occurrence of conflicts between management and shareholders might be attributed to the presence of information asymmetry (Younas, 2022).

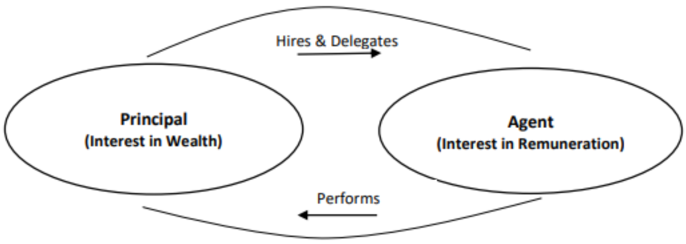

Figure 2.1: Agency theory model (Younas, 2022).

2.2.2 Stakeholder Theory

Stakeholder theory represents a substantial expansion of agency theory. One contention posits that agency theory possesses a restricted reach due to its exclusive focus on the interests of shareholders. The stakeholder hypothesis posits that it is imperative for a corporation to provide value for all stakeholders, rather than solely focusing on shareholders. Nevertheless, the scope of stakeholder theory is regarded as more comprehensive as it encompasses the functions of corporate governance. This theoretical framework is grounded in the notion that managers ought to operate in the utmost interest of all stakeholders, while the board of directors assumes the responsibility of overseeing managers' performance. In contemporary times, the concept of the theory has expanded to encompass the imperative for businesses to effectively address the concerns and welfare of all stakeholders (Yusoff & Alhaji, 2014).

The stakeholder theory posits that organizations strive to enhance and harmonize the interests of multiple stakeholders, ensuring that each stakeholder is duly remunerated based on their respective contributions. It is posited that a corporation is no longer only accountable for its actions, but rather bears the responsibility of safeguarding the welfare of society as a whole. Accordingly, stakeholder theory offers a broader perspective on corporate governance. The stakeholders of the corporation encompass a diverse range of entities, including its employees, customers, lenders, suppliers, competitors, shareholders, investors, governments, banks, and society as more broadly defined. At its inception, stakeholder theory was primarily integrated within the field of management. However, throughout time, several revisions and perspectives have emerged, leading to its recognition as a significant theory within the realm of corporate governance. One of the primary benefits of stakeholder theory lies in its ability to effectively assess and formulate strategies for mitigating entrepreneurial risks (Barney & Harrison, 2020).

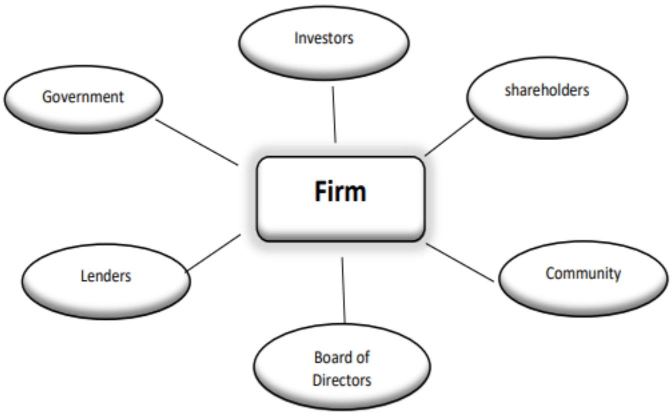

Figure 2.2: Stakeholder theory model (Younas, 2022).

2.2.3 Resource Dependence Theory

Both stakeholder and agency theory primarily examine the dynamics between managers and various groups of individuals, whereas resource dependence theory highlights the significance of resource accessibility in the context of corporate governance negotiations. The aforementioned idea was formulated by Pfeffer and Salancik in 1972. Resource dependency theory is a scholarly investigation that examines the impact of external environmental resources on organizational behavior. The fundamental assumption of this theory is predicated on establishing connections between the organization and its external surroundings. It posits that directors bear the responsibility of aligning the evolving environmental trends with the capabilities of the enterprise (Klepczarek, 2017).

The resource dependence hypothesis emphasizes the significance of the board of directors in acquiring and safeguarding essential resources for the organization through their connection to the external environment. The board of directors plays a crucial role in assembling diverse resources, including talents, knowledge, and raw materials, and leverages their expertise to facilitate the alignment of corporate operations with these resources. The concept of a board of directors is widely recognized as a crucial entity that serves as a vital link between a business and its external environment, while also offering valuable resources to the firm. Consequently, the performance of a corporation is significantly influenced by the ability of its board of directors to effectively obtain and allocate limited resources (Younas, 2022).

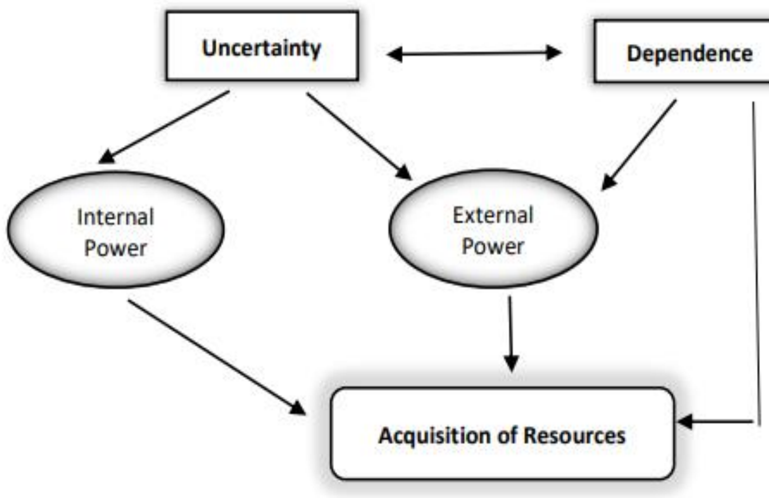

Figure 2.3: Resource dependence theory model (Younas, 2022).

2.2.4 Stewardship Theory

Stewardship theory is a significant theoretical framework within the realm of corporate governance, positing that managers ought to assume the role of stewards. The theory of stewardship was formulated by Donaldson and Davis (1991) and Donaldson and Davis (1993). In juxtaposition to agency theory, the stewardship theory offers an alternative viewpoint on management, wherein managers are regarded as stewards who are obligated to behave in the shareholders' best interest. The foundational principles of stewardship theory are rooted in the fields of psychology and sociology. This theory posits that managers consistently prioritize the firm's best interests, ensuring the protection and generation of profits for shareholders. Management commitment plays a crucial role in determining the performance of a corporation. When the shareholder's wealth is maximized, the stewards also stand to benefit in terms of remunerations. (Yusoff & Alhaji, 2014).

The premise of stewardship theory posits that shareholders bestow greater authority and confidence upon managers, referred to as stewards, with the expectation that managers will subsequently optimize their wealth. Consequently, this approach yields enhanced profitability and investment returns for shareholders, while enabling managers to attain both intrinsic and extrinsic rewards. This theory elucidates the favorable correlation between shareholders and management, a fundamental requisite of effective corporate governance. The central focus of stewardship theory revolves around comprehending the mechanisms via which managers might be incentivized to actively contribute towards the attainment of organizational objectives. Therefore, the theory is grounded in the objective of aligning the interests of managers (agents) and shareholders (Leipziger, 2019).

The distinguishing characteristic of stewardship theory is in its ability to enhance trust in managers, a quality that is absent within the framework of agency theory. The stakeholder idea posits that insider directors possess a greater depth of knowledge regarding the business's performance and operations in comparison to their outsider counterparts. Furthermore, stakeholder theory posits that managers are responsible for safeguarding and protecting the interests of shareholders through the implementation of appropriate decision-making strategies aimed at enhancing shareholder value. In contrast to agency theory, stewardship theory posits that managers and inside directors are most effectively aligned with the interests of shareholders (Barney, 2020).

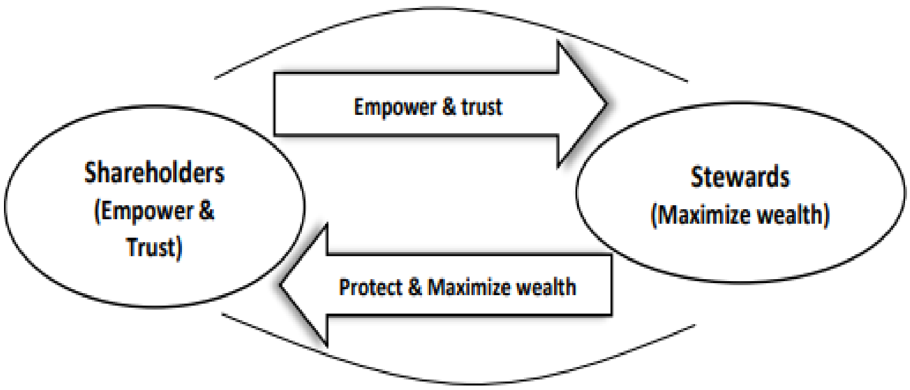

Figure 2.4: Stakeholder theory model (Younas, 2022).

2.3 Review of Empirical Studies

There are many different stakeholders that make up a corporation, including consumers, employees, vendor partners, investors, the government, along with society besides the firm itself. In every engagement that it has with various stakeholders, a company ought to demonstrate fairness and openness on a consistency basis. The trend of globalization has made it possible for businesses to get unfettered access to resources, and the competitiveness of the global market has become an unavoidable consequence. As a result, the adoption and demonstration of ethical behavior is absolutely necessary for the continued growth and prosperity of the organization. In the most recent decades, there has been a dramatic increase in the prevalence of individual and corporate avarice, which has reached a level where it now infiltrates every facet of our lives and society. As per the findings of a study that was carried out by Gupta and Gupta (2015), corporate fraud (CF) and misconduct persist to pose a substantial hazard to the economy, both on a global scale and on an individual level.

Brazel, (2015) state that investors that place an emphasis on the relevance of completing fraud threat assessments to anticipate and avoid fraud red flags are able to stay clear of fraudulent investments. This is because these investors are able to avoid fraudulent investments. As a consequence of this, they proposed that the Congress of the United States of America enact a modification to Section 404 that would require the opinions of the Chief Executive Officer, Chief Financial Officer, and an external auditor concerning the "effectiveness of risk management processes" rather than the "control effectiveness." Regarding threat management, an effective system would prioritise resources towards the statistically most likely root causes of materially incorrect financial statements, which could potentially result in instances of fraud.

The improvement of CG is always required and enforced as a consequence of the advent of new practices and the ongoing boost in fraudulent operations. An approach that is more planned is often required to enhance CG reforms, and this approach is occasionally spurred by high-profile governance failures. The incorporation of FA as a preventative strategy within the governance management system and the implementation of FRA as a mandated control are two examples of the strategic changes that might be taken into consideration. In order for CG to be effective, it is necessary for it to be present within an organization. As a result, it is recommended to first deliver a brief explanation of CG before getting into the particulars of GCG.

The empirical evidences are funds that probed CSR and CG, indicating the necessity of auxiliary investigation for stakeholder perspectives as discussed in study done by Medis, (2016). As a result, additional research can be done to determine how different CG practices affect organizational performance. Additionally, the focus of the CG practice analysis might be reduced to the SMEs' organizational performance. The investigation can also be expanded to gauge the problems along with difficulties involved in putting in place a strong CG system to improve organizational performance.

As per the findings shown by Nahar, (2016), the management of threats is the single most important aspect that plays a role in determining the investment decisions that stakeholders make. As per agency theory, to reduce expenses and reduce the danger of information asymmetries, larger organizations are needed to disclose more information to a wider variety of customers. The objective is to lessen the likelihood of information being disseminated. The research also investigates the ways in which principals try to alleviate the problem by selecting particular monitoring actions that are shaped by a wide range of different volumes and types of positive and negative penalties. Several different kinds of punishments are utilised in order to establish these acts. The construction of a hazardous risk management procedure is one of the numerous potential techniques that can be taken. Consequently, directors and managers have an implicit obligation to ensure that organisations run efficiently in order to ensure that shareholders are able to benefit from a consistent strategy and that the interests of shareholders are served.

According to the findings of the study that was carried out by Nahar et al. (2016), the most important aspect that influences the investment decisions that stakeholders make is the efficient management of opportunities and threats. According to agency theory, larger businesses are needed to disclose more information to a wider variety of consumers in order to save costs and reduce the danger of information imbalances.

This includes exposing more information to a wider range of customers. This action is taken in order to reduce the likelihood of information being spread too far. Furthermore, research investigates how principals seek to ameliorate the problem by selecting particular monitoring tactics that incorporate a number of different levels and types of rewards and punishments. These strategies are used to monitor students' behaviour. These actions are carried out by employing a wide variety of different forms of punishment. Creating a threat management strategy is one of the many ways that this may be accomplished, and it is one of the many solutions that are available. Therefore, managers and directors have the intrinsic responsibility of ensuring that enterprises continue to operate effectively, while also catering to the interests of shareholders and providing them with the opportunity to benefit from a consistent strategy.

Fraud in the financial sector encompasses a wide range of activities, with CFs being the most critical and urgent issue that calls for prompt action owing to the potentially catastrophic consequences they may have. Specifically, fraudulent practices that take place within a corporation are what are meant to be referred to as CF. The majority of the time, it involves intentionally misleading the general public, investors, stakeholders, or financial institutions (FIs) to gain financial gains for the individual who committed the fraud. Because of this, corporations and other FIs are subject to noteworthy repercussions. The term "corporate fraud" refers to a group of dishonest individuals who influence the operations of a corporation with the purpose of acquiring an unfair advantage or benefits. In many cases, it confers procedures that are either illegal or improper. In the present day, businesses operating in a wide variety of industries and fields are vulnerable to fraudulent operations in a variety of variations. As a result of the findings of the Survey on Financial and Corporate Frauds 2016, it was found that the number of occurrences of financial fraud in India is growing. The fact that this is happening is cause for concern since, as the economy continues to expand, the growing number of CFs may have disastrous effects on the nation. The contemporary environment presents a number of challenges, some of which include technological concerns, an insufficient assessment of the threat of fraud, the absence of division of responsibilities, and a lack of ethical behavior among people. Any fraudulent behavior that is carried out by, on behalf of, or against a commercial corporation is referred to as CF. Internal actors, such as employees or executives, who operate within the company and act against it are capable of committing CF. This type of fraud can be committed by employees. Alternatively, fraudulent operations against the organization can also be carried out by individuals from the outside, such as consumers, suppliers, or vendors. At every level of an organizational hierarchy, it encompasses a wide range of infractions that are considered to be small. Frauds committed by corporations are synonymous with crimes committed by corporations or in organizations. Crimes of this nature are referred to as white-collar crimes. As per Edwin Sutherland, an American sociologist, the term "white collar crime" refers to actions that are committed by individuals who have a high social status and respectability while they are engaged in their professional activity. These offenses are committed by individuals working within their company, either with the purpose of obtaining personal gain or for the benefit of the organization that employs them specifically. Frauds committed by corporations have a noteworthy bearing on the company's finances, and in extreme circumstances, they have the ability to result in the complete and total collapse of the company. There is widespread consensus that these fraudulent actions are well-known and represent a noteworthy challenge. Consequently, it has the potential to damage the confidence that shareholders and investors have in firms. As per Wadhwani (2017), the definition of CF is an act that is both systematic and planned, happening over a period of time, and being the outcome of organized activities. This definition was presented in their study.

Akkeren (2017) found that the tone set and cultivated by social media is characterized by a culture and mindset focused on integrity along with ethics. This is further explained in relation to the entire organization. The organizational culture is significantly influenced by the tone established by SM, which can either encourage fraud prevention or facilitate fraudulent activities. This is because the behaviors and attitudes of SM towards fraud can serve as a model for employees, influencing them to adopt similar positions.

FA is a novel advancement in fraud prevention and detection. FA is typically divided into two main roles: preventive along with investigative. The study conducted by Mishra (2017) investigates the preventive role of FA, as it is always more desirable to avoid fraud rather than dealing with it after it has occurred. FA is commonly used in today's business world as a means of investigation, typically on a case-by-case basis. FA include the role of a detective in resolving divorce along with litigation disputes, providing expert testimony in court, and demarcating the route of embezzled assets.

One method of formalizing the organization's corporate governing functions is through CG. It is a hot topic right now, and most of the developing nations are functioning to boost their commercial performance. As Dissanayake, (2017) highlight, internal structures and processes have a major role in encouraging performances, including innovations that result in a competitive edge. Internal stakeholder motivation is therefore essential, but it may be made achievable by sound management techniques. As a result, developing nations are testing whether it would be feasible to use CG practices to improve the performance of their businesses. As per the literature, the researcher highlighted important CG practices in this review, including board structure, and board size, CEO status, and management information transparency, and business practices alongside ethics, along with legal regulations. Additionally, as per previous researchers, the author clarified that organizational performances fall into five categories, including operational, and marketing, and HRM, financial, and CSR practices. Following a study of cases discovered in earlier studies, the researcher has concluded that organizational performance evaluation is crucial and that CG practices serve as a tool. Furthermore, the study demonstrated the existence of several CG practices, including those discussed by Fawal & Mawlawi (2018) in their study, including board structure, and board size, and CEO position, management information transparency, and business practices alongside ethics. Lastly, the review discovered that all CG practices have an impact on corporate organizational performance and that all performance categories can be improved by stronger CG mechanisms. The service sector is mentioned as a necessitated area for such investigation in the future.

As per Laksmi (2018) research, the GCG approach is based on five core principles: independence, responsibility, accountability, openness, and fairness. GCG integrates the combined efforts of the BOD and SM to attain shareholder satisfaction by utilizing these five concepts. By putting GCG into practice, businesses will improve how they make decisions, make sure that rules and regulations are followed, and actively participate in the community. Furthermore, GCG emphasizes that threat management and the control environment are critical components of organizational development.

Fraud is a sort of illegal behavior that involves taking advantage of one's position, making false claims, or trespassing upon the rights of another individual to attain one's own personal gain. A person or organization is said to have committed fraud when they intentionally engage in fraudulent activity with the intention of acquiring boons, dodging accountabilities, or even inflicting financial or even non-financial harm on another individual or group. Individuals or groups that take advantage of an organization to gain an unfair advantage are engaging in fraudulent activity. As highlighted by Xu, Zhang, (2018), fraud can be committed by individuals either within or outside of a business through the development of misleading financial statements. The goal of these statements is to entice individuals to invest in the company.

According to the study by Rehman (2018), the BOD and SM are the two main components of CG. Therefore, the BOD and SM play a crucial role in facilitating the achievement of GCG goals.

Corporate frauds and scams greatly erode company wealth. company Republic of India as a full incorporates a unconditional interest in preventing and minimising company frauds and scams. freelance administrators on audit committees give one amongst the most effective ways in which of reinforcing internal audit and annual statutory audit. Their independence should be strong. With relevance incentives, in finish government compensation is regarding ethics and might solely be meagerly controlled. Corporate fraud should be pursued smartly but, within the manic disorder it should be remembered that too strict a restrictive frame work might stifle company power and competition. significantly, once the opposite ninety five firms play honest and abide the law in its letter and spirit - after all, they'll do that for his or her own name, whether or not such laws existed or not. There ar ways in which for the govt to form these non-interfering rules. It will think about tax edges for companies that voluntarily set affordable compensation limits (Jeyakar, 2018).

In accordance with the structure that was developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), a bank located in Damascus, Jordan, is comprised of five different components of internal control. The influence of threat management was the subject of an inquiry that Rahman and Al-Dhaimesh (2018) carried out as part of their research. The findings of their research showed that threat management has the potential to lower the threats associated with internal controls, which in turn can drop the possibility of fraudulent financial reporting. This was discovered as a result of the investigation. The results of their investigation indicate that the internal environment variable, the identification of events, the threat assessment, the reaction variable, and control activities are some of the aspects of threat management that have a noteworthy bearing on the occurrence of false FR. On the basis of their findings, they came to the conclusion that the variables of monitoring, communication, and information systems do not have any influence whatsoever on the reduction of fraudulent financial reporting in Damascus, Jordan.

A concise summary of the Central Bureau of Investigation's (CBI) powers and responsibilities was presented by Kant Mani in his publication that was released in 2019. The author carried out an exhaustive investigation of the historical circumstance surrounding CBI, in addition to the organization's current objectives and activities. A comprehensive analysis of the subject matter was carried out by incorporating statistical data and actively participating in case discussions. In addition, he shared his perspectives and thoughts into the country's unique legislation as well as the distinctive function that the Central Bureau of Investigation plays in the investigation of financial crimes.

As per the findings of Ko (2019), an organization like a bank may be exposed to noteworthy losses as a result of an increase in the operational threat that it faces. Because of this, it is feasible for the FIs to alter the accounting data to enhance their performance and so reduce the likelihood of incurring losses. Businesses are obligated to manage their operational threats, which include the procedure of discovering, assessing, analyzing, monitoring, and controlling operational threats through the implementation of excellent and sound CG. Because fraudulent acts are frequently concealed and only infrequently reported to the general public, this is the case.

It is generally accepted that GCG improves overall performance and economic efficiency. This mechanism controls the relationship between stakeholder interests and managerial performance. As per a study by Rehman & Hashim (2018), GCG will support the organization's ability and efficiency, consequently boosting its shareholders' confidence. On the other hand, insufficient CG can negatively impact a company's performance and potentially trigger a national or global economic crisis. As Hamsyi (2019) points out, one example of this is the inability of Lehman Brothers to fulfill its financial commitments during the 2007–2008 crisis. Businesses that display the GCG are assured of successful growth and financial stability.

Zheng (2019) emphasized in their paper the significance of doing further investigations on CG, with a focus on emerging nations. This was the incentive that drove the current investigation. One goal of the thorough examination of CG in India was to close a gap in the corpus of research that was already available.

CG has become especially important for emerging countries whose governance structures are less strong. Al-ahdal (2020) assert that enhanced corporate malpractices and the attraction of foreign investors require a strong CG framework in addition to high levels of transparency and superior management. The Confederation of Indian Industry (CII) later established a variety of CG codes of conduct in India, and the Ramakrishna Commission on Public Sector Undertakings (PSUs) CG further emphasized the importance of strong CG practice. The Companies Act of 2013 later on offered a clear CG practice.

Shukla (2021) demonstrated how CG enhanced company performance. Numerous investigations revealed inconsistencies. It was noted by Al-ahdal (2020) that no palpable bearing could be found. The remaining share of the investigation fixated on probing the relationship between earnings management and CG. There was a lack of noteworthy computer graphics literature in the setting of India. To exacerbate the situation, specific segments of the expanding collection of scholarly works on CG procedures in India have emphasized distinctive characteristics.

CG is the collection of rules and procedures used to make sure that all organizations have efficient control systems in place. As per Al-ahdal (2020), CG is the procedures and policies that guarantee a business is properly managed, responsible, and controlled. High-profile corporate scandals inside developed and emerging nations have increased its visibility. Following high-profile scandals like Enron along with WorldCom, businesses started to focus more attention on CG procedures. Additionally, the global financial crisis brought attention to CG. As per Antwi (2021), several business failures put CG in the spotlight. Numerous national policies were consequently put into effect.

The term "corporate fraud" refers to dishonest and illegal actions that are done by persons or organizations within a company with the goal of earning an unfair advantage. It is believed that white-collar employees are responsible for the bulk of commercial fraud. The use of deception presents a noteworthy obstacle for businesses operating in the modern today. Every two years, the Association of Certified Fraud Examiners (ACFE) circulates a report on the subject of occupational fraud alongside abuse. 2022 was the year that the ACFE examined 2110 instances of fraud. There was an average loss of $1,783 million, as per the data, which implies that the losses exceeded $3.6 billion. Scams associated with financial statements are the most expensive, resulting in an average loss of 593 million US dollars. Not only that, but employees were the ones who were responsible for the losses that a normal company experienced. Asset misappropriation, which refers an employer's resources’ theft or misuse by an employee, happened to be the most common type of wrongdoing that occurred in the workplace. In cases like these, the median amount of loss that occurred is $100,000. Fraud commit by corporations is a worldwide occurrence. The report from the ACFE, which was mentioned before, disclosed that fraudulent actions were carried out in around 133 nations, illustrating the pervasiveness of these illegal acts. As per Awalluddin (2021), USA and Canada had the largest frequency, with 675 cases or 36 percent, while Eastern Europe alongside Western/Central Asia possessed the lowest ubiquity, with 78 cases or 4 percent.

As per Guluma, (2021), CG has become increasingly important in recent times and has attracted a lot of attention. The current global financial crises, the emergence of FIs, and the quick expansion of privatizations have all reinforced the need for improved CG processes. The enhancement of organizational performance is significantly impacted by the effective implementation of CG systems. A corporation that practices effective CG benefits from increased trust from shareholders, improved company reputation, and a reduced threat of fraud. The integration of many consistent processes, such as external surroundings and internal control systems, results in good CG and helps commercial organizations flourish successfully. CG's primary goal is to improve a company's performance by fashioning and enforcing policies that encourage corporate insiders to maximize the company's long-term growth, operational efficiency, and market share. This is accomplished by reducing insiders' disproportionate authority, which may be abused when it comes to company assets.

Particularly during the course of the last few decades, CG has become increasingly noteworthy and developed into an instrument of noteworthy importance. The modern financial crises, the increasing privatization of FIs, and the existence of FIs have all backed the solidification of CG procedures in a variety of institutions located in a variety of nations. There have been a number of studies that have proven that CG systems that are well managed contribute greatly to the improvement of business performance. The core goal of CG is to improve organizations’ performance by developing and upholding incentives that inspire corporate managers to maximize the firm's operational proficiency, and return on assets, along with long-run growth. This is accomplished by establishing and sustaining incentives. The prevention of managers abusing their influence over business resources is the means by which this objective is accomplished. Internal CG mechanisms and external CG mechanisms are the two primary categories that may be used to classify the many ways of CG. The effectiveness of both internal and external governance systems is critical to the achievement of a successful implementation of CG. The ownership structure, board structure, and audit committee of a firm are the factors that govern the procedures that are carried out within the organization. On the other hand, as per Guluma (2021), the external mechanisms are influenced by the capital, corporate control and labor markets, the position of the state, and the activity of investors.

In his study, Zhao (2021) highlighted the fact that some of the severe economic repercussions that firms experience as a result of CF include harm to their brand, dropped investor confidence, boosted financing costs, and a decrease in the worth of their organization. It is of the utmost importance to conduct an investigation into the processes that are responsible for CF to protect investors' interests and to promote the healthy development of the capital market. This investigation looks to evaluate the effects that having a count of large owners has on CF behavior. By utilizing a selection of Chinese publicly traded companies spanning the years 2010 to 2018, we are able to demonstrate that having a large number of prominent owners results in improved CG. When there are a large number of prominent investors, the likelihood of CF is reduced and fraudulent activity is less common. Also, when ownership and control are separated, the harmful bearing of having multiple big shareholders on CF become a lot more obvious. In this connection, the factors of capital occupation along with information asymmetry are considered to be mediating factors. As per the results of later testing, the presence of multiple big shareholders is connected with a reduced incidence and inclination of scams committed by corporations. Having a large number of shareholders does not appear to have a noteworthy impact on the likelihood of operational and management frauds, as per the available evidence. When it comes to the fraudulent disclosure of information, it is undeniable that it makes a noteworthy difference. Even after being subjected to a number of different tests to determine their robustness, our findings remain unchanged.

In recent years, corporate fraud has become a hot topic among scholars, and the prior literature has studied various determinants. However, there is little evidence on how multiple large shareholders influence corporate fraud. This study examines the impact of multiple large shareholders on corporate fraud. We show that the presence of multiple large shareholders results in improved corporate governance using a sample of Chinese listed companies during 2010–2018. There are lower probabilities and frequencies of corporate fraud when companies have multiple large shareholders. Furthermore, the negative effects of multiple large shareholders on corporate fraud are pronounced with the separation of ownership and control. Additionally, information asymmetry and capital occupation play mediating roles in this relationship. Based on additional tests, the more multiple large shareholders, the less the tendency and frequency of corporate fraud. The governance effect of multiple large shareholders on operating and leader frauds is not significant. However, in the case of information disclosure fraud, it is significant. Our results remain after several robustness tests. Our study enriches the literature on corporate fraud and multiple large shareholders. Moreover, our results reveal two specific mechanisms by which multiple large shareholders influence corporate fraud, that is, increasing information transparency and reducing tunneling of controlling shareholders (Zhao 2021).

The act of cheating that is known as fraud, which is also sometimes called deception, is characterized by the presentation of false financial information with the intention of deceiving or receiving illegitimate financial advantage. The act of cheating is carried out on purpose, and the losses that are incurred are often in the form of monetary or other assets that are capable of being evaluated. Fraud can be broken down into four categories, as per Indonesia Corruption Watch (ICW): company assets' misuse, actual financial conditions' manipulation in the presentation of reports to acquire profit, the commission of bribery, and corruption, and price gouging, along with fraud through IT, like hacking into automated teller machines (ATMs). Each of these categories is a subset of fraud. Six political parties in Indonesia were discovered to have fabricated campaign financial reports, as a matter of fact, as per the findings of investigations that were carried out by the Ministry of the Interior and Communications in the year 2009. In addition, claims of price fixing manipulation were made throughout the year

2008, and there were also allegations of inflated flying expenses and operating expenditures for Hajj funding, which totaled 1.28 trillion IDR.As emphasized by Ginting (2021), each and every fraudulent behavior will result in monetary damages for a variety of different parties engaged in the transaction. In a similar vein, price gouging, bribery charges, and hacking of automated teller machines are all incidents that have the potential to result in noteworthy losses, changes in rules, and a loss of confidence for the parties involved.

Recent research, as demonstrated by the study that was carried out by Ferrés and Marcet (2021), suggests that businesses that participate in unethical business activities usually begin new corporate social responsibility (CSR) programmes as a response to official investigations. It is believed that these proactive corporate social responsibility (CSR) actions are techniques that can be utilised to offset the financial implications that are associated with the disclosure of fraudulent acts. Companies that work together may decide to improve their corporate social responsibility (CSR) projects after being subjected to formal fines. This is not just to lessen the amount of fines that companies are required to pay, but also to ensure that their investments in CSR are preserved. In light of this, corporate social responsibility committees can be understood as a direct response to ongoing investigations and a deliberate effort to address any instances of dishonest behaviour that may develop.

Research reveals that making improvements in information governance (IG) has a positive influence on both the performance and value of organisations. This assertion is supported by the findings of the research. There has been a recent increase in the number of cases of CF, despite the fact that there have been efforts made to bring the interests of shareholders and managers into alignment and to establish ethical norms to improve the behaviour of managers. The Volkswagen emissions scandal that occurred in 2015 and the bankruptcy of Wirecard both resulted in large financial losses for stockholders, amounting to billions of euros, according to a study that was carried out by Vergara-Vega (2021). As a result of these occurrences, there has been a heightened emphasis placed on investigating the correlation between alleged governance inadequacies in individuals and fraudulent activity in businesses.

For the purpose of determining whether or if there is a connection between threat management and fraud, more specifically fraud involving financial reporting, investigations have been carried out. Jaswadi (2022) conducted an examination into cases of fake financial statements that have taken place in Indonesia. This research was carried out after the establishment of threat-based supervision. They made the discovery that, beginning from that time on, there has been a restriction placed on the disclosure of cases of fraud. As a result of the outcomes of the study, it was revealed that threat-based supervision has the potential to minimize the number of occurrences of fraud.

Because fraudulent activities are becoming more prevalent all over the world, there is a growing demand for prevention and detection methods that can discover fraudulent acts and reduce the amount of money that is lost. As per Muchlish (2022), every effort should be made to spot and also avert fraud inside both the central government along with the regional government sectors.

The establishment of IFRS or GAAP accounting rules by IASB is a deliberate endeavour to eliminate fraudulent acts, aiming to strengthen financial reporting standards and enhance transparency. The government is taking action to address fraud by creating new institutions in collaboration with the House of Representatives (DPR) and partnering with educational institutions to provide specialised education and training programmes. This is one of the initiatives that the government is making. In the meantime, another method of preventing fraud can be used in businesses and other industries through the application of FA science. The procedure of identifying evidence of economic transactions that is utilized in the investigative procedure is referred to as FA. This procedure requires the application of specialized knowledge and specific abilities. The end result is an accounting study that is appropriate for the courtroom and can be utilised as proof of fraud as the foundation for discussion, which assists in the resolution of disputes. Although external auditors are responsible for conducting audits of financial reports, they are unable to identify any instances of fraud that may be present in those reports, as stated by Kaur (2022). This is the reason why there is a growing demand for FA.

The authors Novatiani (2022) emphasised that the establishment of a risk management committee (RMC) is an essential component in the process of monitoring and controlling the danger management strategies, policies, and procedures of an organisation. One of the most important mechanisms for providing support for governance is this committee. This was brought to the attention of the readers. Following the completion of their investigation, they arrived to the realization that threat management possesses the capability to prevent false communication of financial information. This is due to the fact that efficient threat management encourages creativity, instills the courage to take threats, and instills attention to detail.

According to the findings of the research conducted by Sarker (2020), the use of FA yields positive results for Bangladesh and the global community in terms of detecting and combating fraud. As a consequence of this, it is absolutely necessary for it to be implemented and deployed in a significant manner. They came to the conclusion that the application of forensic accounting techniques can improve efforts to avoid fraud in financial reporting, both in terms of identifying prospective threats and addressing current events. In line with the findings that Navarrete (2022) have uncovered, this is applicable. The authors Firmanza (2022) demonstrated the practical application of FA in the context of addressing issues of legal fraud in Indonesia, both within and outside of the judicial system. It was established by Abdulrahman (2020) that the court in Malaysia requires the implementation of FA services in both Islamic Banks and Conventional Banks in order to assist discussions and debates with evidence that is pertinent to the topic at hand. It was the findings of the scholars that were stated earlier that provided support for this assertion. The findings of research that was carried out by Das (2020) indicate that FA has not yet achieved a key position in the Indian economy. In spite of this, FA continues to play a part in the expansion process; but, after an increase in fraudulent activity, its effectiveness reduces to a significantly lower level.

A whistleblowing system is a means of interaction established by an agency, company, or organisation to enable anyone with knowledge of fraudulent actions to report them (the "whistleblowers"). This definition was given by Coutinho no

Nascimento (2020). His literary works contained the previously mentioned definition. In order to identify any wrongdoing within the company, the whistleblower system was linked into the internal control system.

During the stage of audit planning, Nguyen (2020) discovered that doing a threat assessment can lower the likelihood of making assertions that are significantly untrue. According to the findings of this study, the FRM approach is comprised of at least five steps. This conclusion was reached after conducting an exhaustive survey of the existing literature. The following is a list of the steps that are involved in this process: first, establishing the objectives; second, assessing the threats; third, analysing the threats; fourth, deciding on preventive action; and finally, putting the stage into action and reviewing it. After doing an in-depth analysis, we came to the conclusion that this strategy might not be able to be successfully completed due to the numerous governance difficulties that arise at each stage of the application process. There are several ways in which the study makes a contribution. The first thing that it does is illustrate the efficient framework of the threat management procedure that is centered on fraud. To shed light on the overall procedure of threat management, also known as Enterprise Risk Management (ERM), a great number of research have been conducted. Additionally, the governance challenges that are present in the procedure of FRM are brought to light by this study, particularly in developing nations such as Malaysia. Within the context of Malaysia's institutions, threat management procedures are considered to be at the preliminary stage. This is a distinctive institutional setting. At this time, the management is required to disclose information as part of the threat management process. Additionally, a practice such as an independent threat management committee is considered to be an additional step as discussed by Marzuki (2020).

Formalizing an organization's governing procedures is accomplished through the usage of CG. At present, the issue is very significant, and most emerging countries are making efforts to enhance their commercial performances. A competitive advantage is ultimately the result of excellent performance and innovation, both of which are greatly influenced by the internal structure and systems. Therefore, more study may be done to evaluate the bearing of different CG practices on organizational performance. The organizational performance of SMEs may be the primary subject of research on CG practices. Furthermore, the investigation can be broadened to gauge the challenges along with obstacles faced during a strong CG framework's establishment looking at enhancing organizational performance, as expounded in Muhandiram (2022).

When it comes to achieving the best potential level of success in their actions and tasks, the motivation of the employee is an essential necessary component. To execute the tasks of the business and accomplish the goal of the organization, it is vital for personnel to collaborate with one another and think together. Instead than focusing entirely on their own individualistic views, individuals should concentrate on other things. As per Subramanian (2018), the application of this method will result in a higher level of contentment being obtained by the individual. There is a framework that may be utilized to define the motivation that lies behind the actions of managers in a wide variety of different types of firms. In the vast majority of discussions on theories and practices of CG, the environment of mature markets is the principal topic of discussion. This is because mature markets are more stable than infant markets. The social, economic, and political components that are present in developing markets have paid little attention to the CG approaches that have been developed in economies that have attained maturity. These techniques have been devised in economies that have reached financial maturity. In spite of this, the procedures for CG in emerging economies are largely concerned with investigating the relationship between the principles of the firm and the agents of the company. Regarding the political, social, economic, and educational dimensions, there is a correlation between the market and firm activities and the aforementioned aspects. This correlation assists businesses in aligning their practices with the strategic goals they have set for themselves. Both formal and informal companies are receiving support from emerging economies as a result of the implementation of CG principles from these economies. Some examples of informal organizations are businesses that are run by families. The maintenance of accounting standards, the development of a structured board, and the guarantee of openness in management with regard to shareholders are some of the activities that are included in this category, as Muhandiram (2022) have noted.

The prevention and detection of CF has been the subject of numerous research, which have demonstrated and investigated a variety of solutions. The absence of a concept of reasonable certainty that is universally accepted, limits in audit methodologies, and financial constraints all contribute to the difficulty of investigating and detecting fraudulent activity. Every worker is accountable for preventing and identifying instances of fraudulent activity. The distinction between control and ownership helps to increase the effectiveness of management supervision and control, which in turn helps to protect the interests of stakeholders and investors. Several effective strategies for preventing fraud include surprise audits, job rotation and mandatory vacation policies, hotlines for reporting suspicious activity, employee support programs, comprehensive fraud training for employees alongside managers, regular internal audits, the execution of an anti-fraud policy, external audits conducted by independent auditors, a code of conduct's establishment, management reviews, the formation of an independent audit committee, and management certification processes, alongside offering rewards to individuals who then report fraudulent activities as discussed by Rashid (2022).

The presence of independent or external directors has been found in a number of studies to significantly lower the chance of fraudulent activity involving financial statements. In addition, the subsequent investigation indicated that dishonest businesses engage in governance practices that are much below the standards that are followed by industries that do not engage in fraudulent activities. Furthermore, it has been noticed that firms that are not trustworthy typically have a smaller number of independent boards of directors or directors. Furthermore, a separate study has discovered that a higher proportion of independent external directors is connected with a lower risk of unethical activity in businesses. This indicated that the likelihood of unethical behaviour in organisations was lower. In their study, Bai (2022) highlight the role of independent directors in discovering and preventing cases of financial misconduct within corporations.

There has been a noteworthy impact on society as a result of the increasingly sophisticated the economic world development, which has brought about benefits in both material and non-material forms, and these benefits are delivered in both direct and indirect ways. These advantages might be classified as either material or non-material, depending on the context. Nevertheless, the fact of the matter is that economic expansion also leads in increased firm competitiveness, which can lead to an increase in fraudulent operations. This is a consequence of the fact that economic expansion. As per the findings of a study that was carried out by Sudarmadi (2023), fraud is a noteworthy threat that has the potential to compromise financial reports' integrity, inflict damage to the reputation of the firm, and undermine investor trust. This is the case when it comes to a corporate environment that is both complex and dynamic. It is a global problem that has an influence on business, particularly in countries that are undergoing financial difficulties. The issue of fraud is a global one. The findings of Burzinji (2022) indicate that this complex phenomenon has an effect on all of the important economic indices.

According to Liu, (2023), among the most important parts of reforming corporate governance is making internal governance processes better. Boards of directors, they found, significantly contribute to reducing instances of corporate wrongdoing. Factors like board size, composition, structure, engagement level, and committee count might impact a board's effectiveness. Boards are crucial in keeping administrators in check by overseeing their activities.

At the present time, the focus of white collar crimes has switched from the individual right to the organization. This means that criminal acts can be conducted either independently or even in conjunction with other individuals. CF is an example of a white collar crime that can be committed. When compared to other forms of white collar crimes, CFs are the most complex and harmful to society. These are the crimes that are committed by people who are considered to be prominent and wealthy members of society. As a result, they reduce the level of interest along with confidence in business investments, which in turn affects confidence in the government along with society as a whole. As per the findings of a study that was carried out by Levi, (2023), CFs constitute a higher threat to society than other types of theft, such as burglaries, robberies, larcenies, and other types of theft. This is because the financial loss that society sustains as a result of CFs is significantly greater.

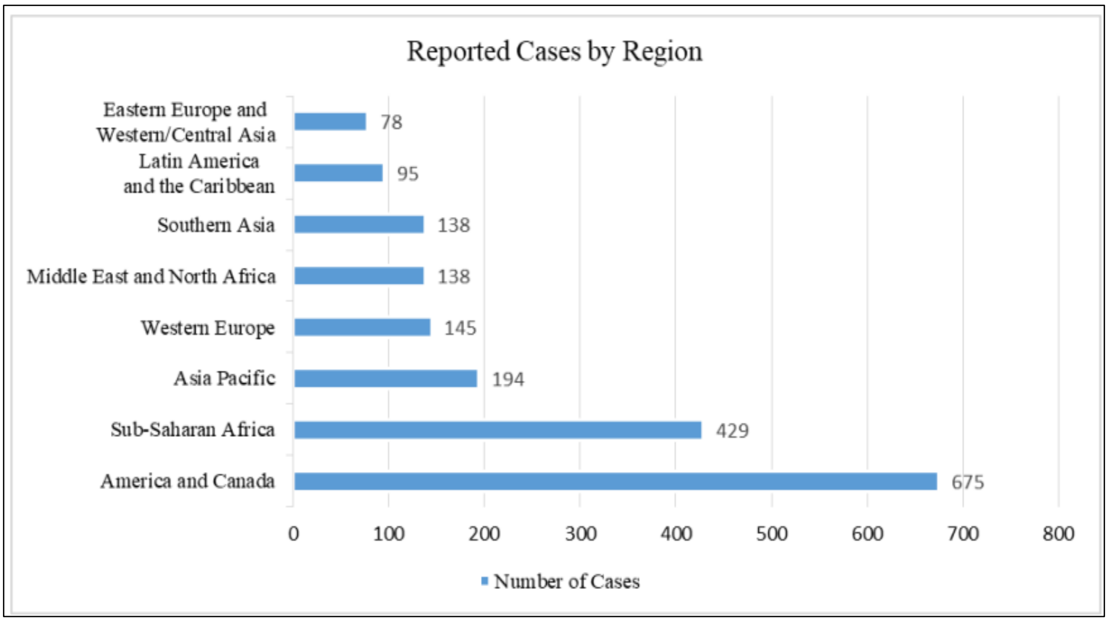

Figure 2.5: Reported Fraud Cases (Source: ACFE, 2022).

As per Kopp's (2023) research, it is imperative to tackle agency difficulties within the organization along with resolve concerns pertaining to the interaction between the business's agents and principles. The most widely accepted hypothesis states that company executives act as both shareholders and agents. There are differences in the duties and power to make decisions between the chairman and the CEO. As a result, some decisions will also take their personality into consideration. To avoid mismanagement and disagreements between emergency agents, directors play a critical role as control mechanisms. Furthermore, the role played by the BOD and the involvement of investors in the general public in developing the board monitoring system.

The effectiveness and efficiency of independent directors are essential components of good CG. As per Murugan (2023), the presence of independent members of BOD is necessary to ensure that the board upholds objectivity and also holds the organisation's administration responsible.

Financial auditing (FA) is a branch of accounting that uses auditing, accounting, and investigative abilities to find cases of financial fraud, unequal distribution of wealth, and provide proof for court processes. FA is a specialist area of accounting. A forensic accountant is someone who applies accounting principles to the analysis of financial records and transactions for the goal of resolving legal disputes, regulatory inquiries, or internal business investigations. FA is a subfield of accounting that focuses on the application of accounting principles. This will be done with the intention of analyzing the facts concerning the money and locating any inconsistencies or inappropriate behavior that may have occurred. When it comes to the investigation of financial offenses like fraud, and embezzlement, and money laundering, along with other sorts of financial offenses, FA experts collaborate with law enforcement, attorneys, or corporations to investigate the crimes. They make use of investigative techniques to trace down funds, uncover assets that have been disguised, measure losses, and evaluate the effects of fraudulent acts among other things. Forensic accountants are able to deliver a service that includes the ability to deliver expert testimony in court, along with the ability to explain complex financial matters and present evidence. Their work spans a wide variety of domains, such as civil litigation, insurance claims, bankruptcy proceedings, and compliance with regulatory standards, among other things. A solid awareness of legal matters, accounting concepts, financial analysis, and auditing is a fundamental requirement. In addition, it is essential to have a comprehensive understanding of auditing. The ability to function effectively under pressure, the capacity to pay close attention to detail, and the ability to utilize analytical skills are all incredibly crucial. Furthermore, it is of the utmost importance to possess understanding of computer forensics, data analysis tools, and procedures for the purpose of identifying fraudulent behavior. When it comes to uncovering instances of financial fraud, averting economic crime, and delivering accurate financial data for the purposes of legal procedures, the field of FA is of the utmost importance. More and more companies and law enforcement agencies are coming to the realization that the prevention of financial fraud requires the involvement of individuals who are experts in the field. This is one factor that is contributing to the continuous expansion of its relevance. FA is an extremely important instrument that is indispensable in the discovery of financial fraud, the prevention of economic crime, and the production of reliable financial information for court procedures. In general, FA is an extremely vital way to identify fraudulent financial activity. In view of the fact that organizations and law enforcement agencies are becoming increasingly aware of the need for qualified specialists to adequately investigate and mitigate financial fraud, its significance becomes increasingly critical as mentioned by Nadaf (2023).

As per one interpretation, FAP might be understood as an agency that works to protect principal rights. Owing to its capacities and grasp of fraud theories, FAP is able to assist the BOD and the SM in the progression of threat frameworks, the management of policies, spotting red flags that are not detectable by standard accounting alongside auditing procedures, along with the endowment of reports that detail lessons learned and also recommendations for the implementation of internal controls and the mitigation of fraud. It is possible for FAP to have a direct impact on GCG both through the incorporation of FAP into the governance management system and through the prevention of misconduct before it occurs. The Financial Accounting Practice (FAP) has the ability to bridge the expectation gap that is generated by traditional auditors, in addition to resolving the concerns of shareholders. As per the findings of a study conducted by Rehman (2024), the FAP is continuously preferred over the investigative function because of its ability to respond to the threat of fraud in a manner that is both efficient and effective.

SM is indispensable in CG. The obligation of implementing the policies and guidelines established by the BOD in the form of directives lies with the SM. GCG creates a clear distinction and separation between the SM and the board. In the past, there were many corporations that were listed right on stock exchange and had a CEO and chairman of the board who held both positions. This arrangement resulted in multiple issues of agency and conflicts. To protect the shareholders' interests, businesses adopt two-tier corporate structures, consisting of a SM and a BOD. The shareholders elect the BOD, while the SM is BOD-appointed, as stated in Rehman's study conducted in 2024.

2.4 Research Gap

According to previous research, there is a correlation between having a large number of major owners and greater corporate governance, as well as a decreased likelihood of engaging in fraudulent actions. In spite of this, there has been insufficient research carried out to extensively investigate the specific mechanisms that are responsible for establishing this association. Regarding the association between significant shareholders and instances of CF, there was a dearth of research that investigated the impact of factors such as capital occupation and knowledge asymmetry on the relationship. Furthermore, there is a lack of thorough research in the existing literature regarding how the separation of ownership and control impacts the correlation between ownership structure and deceitful actions. This led to a dearth of research, which in turn necessitated more empirical studies to determine the full scope of these intervening factors and their effects on anti-fraud corporate governance frameworks and policies. It should be noted that most of the empirical research on this topic has concentrated on studying how certain parts of an organization's information governance relate to instances of accounting or financial fraud. The purpose of our work is to broaden our understanding of the existing state of affairs by investigating the association between a number of characteristics of IG and a variety of forms of corporate misconduct. Through the adoption of a more expansive viewpoint, consumers have the ability to improve their comprehension of the manner in which IG legislation impact various forms of corporate misconduct. As a consequence of this, our understanding of CG and the role it plays in discouraging unethical behaviour is enhanced.

2.5 Summary

The literature delivers a detailed exploration of the intricate dynamics underlying CG, fraud prevention, and the indispensable role of FA in maintaining organizational integrity. It begins by emphasizing the foundational principles of GCG, like transparency, and accountability, and fairness, which are crucial for guiding decision-making processes and ensuring compliance with regulatory standards. Through the lens of CF, the text illustrates how deceptive actions within companies pose noteworthy threats not only to financial stability but also to broader societal trust and well-being. In response to these challenges, the text advocates for proactive measures aimed at preventing fraud, with a particular focus on the preventive capabilities of FA. This specialized field is depicted as essential for identifying evidence of fraudulent activities, analyzing complex financial transactions, and providing expert testimony in legal proceedings. Moreover, the text underscores the global demand for effective fraud prevention and detection methods, highlighting the increasing sophistication of economic activities and the consequent rise in fraudulent operations.

Beyond the realm of FA, the text delves into the broader landscape of FRM, emphasizing the importance of comprehensive threat assessment, evaluation, and control implementation. It recognizes the significance of initiatives such as whistleblowing systems, audit planning, and CSR in bolstering fraud prevention efforts. Despite these endeavors, the text acknowledges the persistent challenge posed by CF, particularly in light of recent scandals that have underscored the need for robust governance frameworks and specialized expertise. In conclusion, the text advocates for a multifaceted approach to combat fraud effectively, emphasizing the importance of proactive measures, ethical conduct, and specialized expertise in safeguarding organizational integrity and shareholder interests. It underscores the interconnectedness of CG, fraud prevention, and organizational performance, advocating for ongoing research and robust practices to mitigate threats and foster sustainable business environments.

CHAPTER – III

METHODOLOGY

3.1 Overview of the Research Problem

The research problem that is being investigated in this study is related to the relationship that exists between ownership structure, corporate governance, and fraudulent acts that take place within organizations. There is a lack of complete understanding regarding the underlying mechanisms that are driving this association, despite the fact that the existing body of literature acknowledges a relationship between a large number of major owners and greater corporate governance, as well as a lower risk of fraudulent behavior. To be more specific, there is a lack of investigation into the ways in which factors such as capital occupation and knowledge asymmetry influence the connection between significant shareholders and corporate crime. In addition, there is a lack of comprehension regarding the manner in which the shared ownership and control either exacerbates or mitigates the connection in question. The primary objective of the existing collection of empirical research is to investigate the connection between internal governance mechanisms and fraudulent financial and accounting practices. However, this scope needs to be expanded such that it encompasses a variety of different sorts of unethical behavior in the workplace. This research intends to enhance the existing knowledge base by investigating the association between internal governance characteristics and serious types of corporate misconduct. This research looks to offer a more thorough grasp of the part that corporate governance plays in avoiding unethical behavior.

In light of the fact that previous study has produced contradictory results, the goal of this investigation is to probe the link that exists across efficient corporate governance, the validity of internal controls, and the prevalence of fraudulent actions. An efficient corporate governance structure not only protects the company from unethical behavior but also makes it easier to make sound decisions by establishing a ruleset and principles that are obeyed in a systematic manner. So, this relationship is being investigated as part of the study with the goal of gaining a better understanding of how efficient corporate governance can reduce the number of instances of large-scale corporate fraud.

3.2 Operationalization of Theoretical Constructs

When conducting empirical research, one of the most important steps is called operationalization. This stage entails transforming theoretical conceptions that are abstract into variables that are concrete and measurable. In the context of performing an investigation into the connection between ownership structure, corporate governance, the validity of internal controls, and fraudulent actions within firms, it is vital to operationalize theoretical constructs in order to carry out an analysis that is both systematic and rigorous. Beginning with ownership structure, which refers to the distribution of ownership within a corporation, researchers operationalize this construct by quantifying various aspects such as the percentage of major owners, concentration ratios of ownership, and identifying the number of prominent shareholders. This is done in order to complete the process of operationalizing this construct. Insights into the composition and influence of ownership inside the business are provided by these quantitative indicators, which lays the framework for understanding how ownership dynamics may impact the behavior of corporations. Continuing on to the topic of corporate governance, academics put this concept into effect by analyzing the degree to which businesses comply with governance requirements and best practices. To accomplish this, it is necessary to evaluate various aspects, including the degree of autonomy and size of the board, the existence of audit committees, and the general efficiency of the governance structures that are already in place. Researchers are able to determine the extent of monitoring and accountability that exists inside the company, as well as its capacity to minimize risks such as fraudulent operations, by evaluating these physical characteristics of governance. An additional main point of the research is the operationalization of fraudulent actions, which is accomplished through the examination of observable behaviors and incidents that occurring inside the organization. One of the items encompassed by this category is the quantification of the occurrence of financial fraud, accounting errors, and other forms of misconduct by utilizing the data sources that are readily available, such as audit findings, legal documents, and financial reports. Identifying patterns and trends that offer information on the prevalence and type of unethical behavior within organizations can be accomplished by researchers through the systematic categorization and analysis of fraudulent actions. Internal control validity is a theoretical notion that can be operationalized through the evaluation of the appropriateness and efficacy of auditing processes and internal control systems. To do so, one must evaluate the extent to which internal control frameworks are comprehensive, the dependability of internal auditing methods, and the general commitment of the business to the upkeep of effective internal controls. Through the examination of the robustness of internal control measures, researchers are able to evaluate the capacity of these measures to successfully detect and prevent fraudulent acts or activities.

Measurement of the effectiveness of governance and internal control measures in minimizing fraudulent incidences and discouraging unethical behavior is the final step in the process of operationalizing the prevention of fraud. Indicators like as the frequency and severity of fraudulent acts over time are among the things that researchers look at. Additionally, they investigate the availability of deterrence measures such as whistleblower procedures and ethical training programs. Researchers are able to evaluate the efficacy of governance and internal control measures in protecting the organization's integrity and reputation by measuring the influence that these measures have on the prevention of fraud. The process of operationalizing theoretical conceptions, in general, makes it possible for academics to conduct empirical investigations into the intricate relationship that exists between ownership structure, corporate governance, the validity of internal controls, and fraudulent behaviors that occur within organizations. Researchers are able to undertake systematic analysis and create actionable insights that contribute to our understanding of corporate behavior and the mechanisms that govern ethical conduct inside businesses. This is accomplished by turning abstract notions into measurable variables.

3.3 Research Purpose and Questions

Formalization of the contemporary formulation of corporate governance did not occur until the Cadbury committee report in 1992, despite the concept of corporate governance being acknowledged for long. Despite the fact that the codification of corporate governance has progressed since then, there are still a number of obstacles to overcome. It is important to note that there is a consistent association between particular governance systems and financial fraud; yet, despite the fact that various research have been conducted, definitive conclusions have not been reached. In an effort to shed light on this connection, academics have mostly concentrated their attention on board composition, insider ownership, remuneration, financial rules, and monitoring procedures. Despite this, a full knowledge of the fundamental components that contribute to financial fraud is still lacking. Furthermore, study in this field is still in its infancy, particularly with regard to the mechanisms of governance and the development of fraud within organizations. The pursuit of economic growth in nations that have low levels of fraud and corruption is an attractive line of investigation that might be pursued. Extensive study has been conducted with the goal of determining the most effective corporate governance systems and the impact those systems have on ethical business behavior. Studies conducted at the macro level have investigated the ideal combination of legislative and regulatory frameworks, governance standards, penalties for misconduct, and enforcement measures in order to cultivate ethical business practices.

In addition, particular governance practices that have been related to financial crises or fraud have been subjected to a thorough examination in order to evaluate their presence and the significance of their presence. It is the goal of in-depth investigations on these activities in a variety of settings to shed light on the impact that they have on the behavior of corporations. Particularly noteworthy is the fact that doubts are raised about whether or not adhering to legal and regulatory norms is equivalent to ethical business activity. Through this, the disparity between visible rules and effective behavior is brought into sharper focus, so revealing the gap that exists between ethical integrity and regulatory compliance. In addition, the presence of regulatory requirements that are subject to discretion further complicates this environment, which can occasionally result in inconsistencies between ethical norms and legal regulations.

3.4 Research Design

The research design has been meticulously developed in order to investigate the complex relationship that exists between fraud risk assessment and excellent corporate governance. This is accomplished through the utilization of a mixed methodological approach, which blends qualitative and quantitative studies in a smooth manner. Conducting a systematic literature review requires drawing from a wide variety of academic sources and databases, which is the primary focus of the qualitative phase. This phase is characterized by a comprehensive analysis of the current literature. This phase looks to spot any existing limits or gaps in the present research environment by utilizing approaches such as PRISMA and thematic analysis. Additionally, the phase tries to distill essential discoveries, uncover common themes, and uncover limitations. This qualitative component prepares the groundwork for the generation of suggestions that may be put into practice in order to direct future research initiatives. This is accomplished by analyzing methodology and synthesising findings.

At the same time, the quantitative component of the research design shifts its focus to primary data collecting, with the participation of two hundred respondents from fifty different companies in Delhi NCR. When it comes to ethical considerations, the obtaining of written authorization from participants, which includes senior management, internal auditors, company secretaries, and board members, is of the utmost importance. The quantitative phase makes use of a questionnaire that has been painstakingly designed and distributed through Google Forms. The objective of this phase is to glean subtle insights into both demographic information and respondent impressions of the major factors by employing a Likert scale.

The subsequent phase of data processing makes use of IBM SPSS Statistics in order to go through descriptive statistical tests and delve into linear regression analysis. However, this is not the end of the voyage; the validity and reliability of the accumulated data are subjected to rigorous scrutiny by recognized procedures, including classical assumption tests, which ensures the robustness of subsequent analyses. The bedrock of the quantitative analysis is comprised of the Simultaneous

Significance Test, the Coefficient of Determination Test, the Multiple Linear Regression Analysis, and the Partial Significance Test. These tests make it possible to conduct a granular investigation into the complex relationship that exists between fraud risk assessment and good corporate governance.

This meticulously structured research approach is not simply a search for understanding, but rather a focused endeavour to unravel the core mechanisms of fraud risk assessment and effective corporate governance. This investigation aims to provide a comprehensive understanding of these crucial aspects by combining qualitative depth and quantitative rigour. By doing so, it seeks to bridge the gap between theory and practice and facilitate the development of organisational frameworks that are both stronger and more ethically sound.

Variable for the Study

Following are the variables that will be used on the basis of each research questions:

To test the hypotheses concerning the impact of corporate governance on corporate fraud, you'll need to formulate variables that capture both corporate governance practices and indicators of corporate fraud. These variables should be quantifiable and suitable for regression analysis or other statistical methods. Here’s how to formulate these variables based on the hypothesis:

- Null Hypothesis (H0): Corporate governance has no significant impact on corporate frauds.

- Alternative Hypothesis (H1): Corporate governance has a significant impact on corporate frauds.

Independent Variable: Corporate Governance

1. Awareness of Corporate Governance Policies (AGP)

- QII.1: How aware are you of the corporate governance policies and procedures implemented within our company?

- Scale: 1 (Strongly Disagree) to 5 (Strongly Agree)

2. Effectiveness of Communication (EC)

- QII.2: How effectively do you believe our company communicates its corporate governance practices to all employees?

  - Scale: 1 (Not at all) to 5 (Extremely)

3. Promotion of Transparency and Accountability (PTA)

- QII.3: To what extent do you feel our company's corporate governance practices promote transparency and accountability?

  - Scale: 1 (Not at all) to 5 (To a very high extent)

4. Influence on Decision-Making (IDM)

- QII.4: How influential do you think our company's corporate governance practices are in decision-making processes?

  - Scale: 1 (Not influential at all) to 5 (Extremely influential)

5. Leadership Adherence to Ethical Standards (LAES)

- QII.5: How confident are you that our company's leadership adheres to ethical standards outlined in our corporate governance policies?

  - Scale: 1 (Not confident at all) to 5 (Completely confident)

6. Familiarity with Corporate Governance Principles (FCGP)

- QV.1: To what extent are you familiar with key principles of corporate governance, such as transparency, accountability, and fairness?

  - Scale: 1 (Not at all familiar) to 5 (Extremely familiar)

7. Understanding the Role of the Board (URB)

- QV.2: How well do you understand the role of the board of directors in overseeing corporate governance practices within our company?

- Scale: 1 (Not well at all) to 5 (Completely well)

8. Knowledge of Regulatory Requirements (KRR)

- QV.3: How knowledgeable are you about the regulatory requirements and standards governing corporate governance in our industry?

- Scale: 1 (Not knowledgeable at all) to 5 (Extremely knowledgeable)

9. Impact on Reputation and Trust (IR)

- QV.4: To what extent do you believe that corporate governance practices impact our company's reputation and stakeholder trust?

- Scale: 1 (Not at all) to 5 (Completely)

Composite Corporate Governance Score (CGS):

Dependent Variable: Corporate Fraud

1. Awareness of Corporate Frauds (ACF)

- QIII.1: To what extent are you aware of the various types of corporate frauds that can occur within our company?

- Scale: 1 (Not at all aware) to 5 (Extremely aware)

2. Understanding Consequences (UC)

- QIII.2: How well do you understand the potential consequences of corporate fraud for our company and its stakeholders?

- Scale: 1 (Not at all) to 5 (Completely)

3. Confidence in Identifying Red Flags (CIRF)

- QIII.3: How confident are you in your ability to identify warning signs or red flags indicating potential corporate fraud?

- Scale: 1 (Not confident at all) to 5 (Completely confident)

4. Impact of Lack of Internal Controls (ILIC)

- QIII.4: To what extent do you believe that lack of internal controls contributes to the occurrence of corporate fraud?

- Scale: 1 (Not at all) to 5 (Completely)

5. Influence of Unethical Behavior (UEB)

- QIII.5: How influential do you think unethical behavior at the management level is in perpetrating corporate fraud?

- Scale: 1 (Not influential at all) to 5 (Extremely influential)

This approach allows you to quantitatively analyze the relationship between corporate governance and corporate fraud, while accounting for other relevant factors.

3.5 Population and Sample

The term "population" is used in the context of this research design to refer to the entirety of entities or individuals that possess the characteristics of interest. These qualities include organizations and their various stakeholders who are involved in fraud risk assessment and corporate governance. The population is comprised of a diverse range of businesses operating in a variety of sectors, each of which has its own governance structures and risk management procedures. In addition, the population of each firm consists of senior management, internal auditors, corporate secretaries, and board members. These individuals play crucial roles in the process of creating and supervising governance mechanisms and risk assessment procedures. Meanwhile, the sample is a subset of the populace that is chosen for involvement in the research study. This subset is picked for further investigation. In most cases, the sample is smaller and easier to handle than the full population. This is because practical limits such as time, resources, and practicality are taken into consideration. For the purpose of this research design, the sample consists of two hundred individuals who were selected from fifty different businesses. It is possible that stratified sampling methods will be utilized in the process of selecting organizations to be included in the sample. This will ensure that the sample is representative of a wide range of industries, sizes, and geographical regions. The sample may consist of a variety of individuals from within each organization, including senior executives, internal auditors, company secretaries, and board members who are judged suitable and permitted to provide insights into fraud risk assessment and corporate governance standards. For the purpose of ensuring ethical concerns and maintaining the confidentiality of the data, it is essential to secure written consent from the respondents who were chosen. The purpose of the research is to arrive at relevant conclusions and insights that can be applied to the larger organizational environment. This will be accomplished by carefully selecting a sample representative or representative of the larger population. Regardless, it is of the utmost importance to recognize the constraints that are inherent in sampling, such as the possibility of biases and the restrictions on generalizability, and to interpret the findings within the context of this.

3.6 Sampling Method

The selection of participants in this research design is a multi-step procedure that has been meticulously constructed to guarantee the inclusiveness, relevance, and dependability of the study's findings within the context of the larger organization. The rigorous identification of key stakeholders is at the heart of this process. This identification is essential for shining light on the delicate interplay that exists between fraud risk assessment and sound corporate governance. There is a wide range of roles that fall under this category of stakeholders. These roles include senior management executives who are accountable for making strategic decisions, internal auditors who are tasked with ensuring compliance and risk mitigation, and company secretaries and board members who hold pivotal oversight responsibilities. In order to represent the variation that is inherent in organizational structures across a vast array of industries, sizes, and geographic locations, the participant selection technique makes use of a stratified sampling approach. This research guarantees that a representative sample is obtained by stratifying participants according to organizational hierarchy, functional responsibilities, and industrial sectors. This ensures that the sample accurately reflects the diverse range of opinions and experiences that are prominent throughout the corporate landscape.

The recruitment efforts are carried out in a transparent and honest manner, and clear communication channels are established in order to reach out to potential participants through official organizational channels. An emphasis is focused on giving participants with thorough information regarding the objectives, methodology, and anticipated outcomes of the study. This gives participants the ability to make educated decisions regarding their participation in the exploration. Furthermore, the voluntary nature of participation is emphasized, and assurances are made regarding the confidentiality and anonymity of responses in order to instill confidence and trust among those who are participating. An essential component of participant involvement is the provision of informed consent, which requires every subject to formally acknowledge their willingness to take part in the research and to give their assent to the parameters that are specified in the relevant document. Not only does this procedure fulfill ethical norms, but it also affirms the participants' autonomy and agency in terms of their contribution to the study endeavor. Furthermore, efforts are taken to ensure that varied voices and perspectives are included, that an environment is fostered that is favorable to vigorous conversation and significant insights, and that this environment is inclusive.

Beginning with the beginning of the data collection process, stringent processes are put into place to check the authenticity and accuracy of the replies provided by the participants. This helps to guarantee the data is reliable and accurate. The purpose of this research design is to generate comprehensive insights into the relationship between fraud risk assessment and good corporate governance. These insights will ultimately inform evidence-based decision-making and drive positive change within organizational frameworks. This will be accomplished by paying meticulous attention to detail and adhering to best practices in participant selection.

3.7 Instrumentation

The instrumentation for this study involves the tools and methods used to collect and analyze data, including the questionnaire and statistical software. Here's a detailed breakdown of the instrumentation:

1. Questionnaire:

1. Structured Questionnaire: This refers to a survey instrument that is organized and follows a predetermined format. It typically consists of a series of questions that are presented in a systematic manner to collect specific information from respondents. In your case, the questionnaire is designed to gather data on demographic information, perceptions of fraud risk assessment, and corporate governance.

2. Data Collection via Online Platforms: Utilizing Google Forms or similar online survey platforms allows for efficient data collection. Participants can access the questionnaire remotely, which can potentially increase response rates and make the process more convenient for both researchers and respondents.

3. Multiple Sections: The questionnaire is divided into different sections, each targeting specific aspects of the research objectives. These sections likely include demographic questions to gather background information about the participants, as well as questions related to perceptions of fraud risk assessment and corporate governance.

4. Likert Scale Statements: Likert scale statements are a prevalent approach employed to gauge the attitudes, perceptions, and opinions of survey participants. Typically, they are composed of a sequence of statements where participants are required to express their degree of agreement or disagreement. The scale typically spans from "strongly agree" to "strongly disagree," encompassing a range of responses that accurately reflect the level of agreement or disagreement with each item.

5. Open-Ended Questions: In addition to Likert scale statements, open-ended questions may be included to allow participants to provide qualitative insights or elaborate on their responses. These questions give respondents the opportunity to express their thoughts in their own words and provide additional context to their answers.

By incorporating these elements into the questionnaire, researchers can gather both quantitative and qualitative data, enabling a comprehensive analysis of participants' perceptions of fraud risk assessment and corporate governance.

2. Statistical Software:

1. Utilization of IBM SPSS Statistics: IBM SPSS Statistics is a robust software application that is frequently employed for conducting statistical analysis in research. The software offers an intuitive interface for managing data, generating descriptive statistics, conducting inferential statistics, and performing advanced analytics. SPSS enables researchers to effectively handle and analyse the data gathered from the questionnaire.

2. Descriptive Statistics: Descriptive statistics are employed to succinctly and precisely summarise and depict the primary characteristics of the gathered data. This encompasses the calculation of statistical measurements such as the arithmetic mean, median, standard deviation, and frequency distributions. These statistics offer valuable information on the average, range, and spread of both the demographic data and replies to Likert scale statements.

3. Cross-sectional Regression Analysis: Cross-sectional regression is a statistical technique employed to examine the relationships between variables across a sample of observations at a single point in time. This approach involves analyzing data collected from different subjects, such as individuals, companies, or countries, simultaneously, rather than tracking changes over time. While taking other factors into consideration, this method enables researchers to assess the relative relevance of the variables that are autonomous when forecasting the dependent variable and to quantify each of their contributions.

4. Classical Assumption Tests: Prior to evaluating the outcomes of the regression analysis, it is essential to verify that the fundamental assumptions of linear regression are satisfied. Typical hypothesis tests involve evaluating the normality of residuals, investigating multicollinearity among independent variables, and analysing heteroscedasticity (unequal variance of residuals). These tests are used to confirm the dependability and accuracy of the regression analysis findings.

5. Simultaneous Significance Test, Partial Significance Test, and Coefficient of Determination Test: We run these tests to see how significant the regression model is as a whole, how important the individual predictor variables are (partial effects), and how much variation in the dependent variable can be explained by the independent variables (R-squared). Their insights about the significance and strength of the correlations shown by regression analysis are priceless.

Researchers can acquire a thorough grasp of the linkages and factors that contribute to them by utilising these analytical approaches and tests. They can also examine corporate governance and fraud risk assessment.

3. Validity and Reliability Measures:

For the purpose of ensuring that the questionnaire that was utilized in the research was reliable and valid, stringent validity and reliability evaluations were carried out. The content validity of the questionnaire was established by conducting a thorough literature research, which ensured that the items on the questionnaire adequately represented the topics that were being targeted. In addition, the items were examined by knowledgeable reviewers to ensure that they were clear, pertinent, and thorough in terms of capturing fraud risk assessment and corporate governance principles. A factor analysis was used to test the construct validity of the questionnaire, which confirmed that the items aligned with the theoretical constructs and that they loaded into the expected factors. The results of this research gave proof that the questionnaire was able to accurately measure the concepts that were supposed to be measured. The validity of the questionnaire was assessed using a battery of internal reliability and consistency tests. To determine the level of internal uniformity, which is a measure of the correlation between items within every concept, the Cronbach's alpha coefficient was used. When the alpha values were high, it suggested that there was a good internal consistency, which meant that the items within the constructs consistently measured the same principal notion. The test-retest reliability method was utilized to evaluate the stability of the questionnaire over time. This method ensured that the respondent replies were consistent when the questionnaire was delivered to the same participants on multiple occasions. These validity and reliability testing methodologies were essential in guaranteeing the accuracy, consistency, and stability of the questionnaire in terms of evaluating perceptions of fraud risk assessment and corporate governance. As a result, the findings of the research were brought to a higher level of credibility.

4. Ethical Considerations:

Ethical considerations are foundational pillars in the design and implementation of research instruments, ensuring that the rights and well-being of participants are upheld throughout the entire study. Here's a detailed expansion on how these considerations are integrated into the instrumentation process:

1. Participant Confidentiality and Anonymity:

- Measures are implemented to safeguard the confidentiality of participants' information. This involves storing data securely and restricting access only to authorized personnel involved in the research.

- Anonymity is maintained by assigning participants unique identifiers or codes instead of using personally identifiable information. This helps ensure that individual responses cannot be traced back to specific participants, further protecting their privacy.

2. Informed Consent:

- Participants are provided with clear and understandable information about the purpose, procedures, risks, and benefits of the study before they decide to participate. This ensures that they have the necessary information to make an informed decision about their involvement.

- Informed consent forms are used to document participants' voluntary agreement to participate in the study. Participants are informed that they can withdraw from the study at any time without consequence.

3. Voluntary Participation:

- The emphasis is on the fact that participation is entirely voluntary, therefore participants are free to decline or withdraw from the study at any time without any repercussions.

- Researchers avoid any form of coercion or undue influence that may pressure participants into participating against their will.

4. Clear Communication:

- Participants are provided with clear and concise information about the study's purpose, procedures, and potential risks. This helps ensure that they fully understand what is expected of them and what they can expect from participating in the research.

- Any potential risks or discomforts associated with participation are clearly communicated to participants, allowing them to make an informed decision about whether to participate.

5. Compliance with Ethical Standards and Regulations:

- Data handling procedures are designed to comply with ethical standards and regulations, including institutional review board (IRB) guidelines and relevant legal requirements.

- Researchers are mindful of ethical principles such as respect for autonomy, beneficence, and justice, ensuring that the study is conducted ethically and responsibly.

By integrating these ethical considerations into the instrumentation process, researchers demonstrate their commitment to upholding ethical standards and protecting the rights and well-being of participants. This not only ensures the integrity and credibility of the research but also fosters trust and respect between researchers and participants. Overall, the instrumentation for this study is carefully designed to facilitate the collection of valid and reliable data, enabling a comprehensive analysis of the relationship between fraud risk assessment and good corporate governance.

3.8 Data Collection Procedures

During the course of this research study, the processes for collecting data have been rigorously devised to guarantee not only the authenticity of the data acquired but also the ethical treatment of participating individuals. In the beginning, participant recruiting techniques are outlined, and they are aligned with the objectives of the study as well as the group that is being targeted. This involves defining the proper sampling method and sample size, as well as designing recruitment materials that clarify the aim of the study, eligibility requirements, and how persons can participate in the study in a clear and concise manner. It is required to secure the relevant authorization from institutional review boards (IRBs) or ethics committees before beginning any recruitment efforts. This is done to guarantee that an organization is in line with ethical standards and regulations. In order to protect the participants' autonomy and guarantee that they have a complete understanding of the study's objectives, methods, potential drawbacks, and potential advantages, a comprehensive informed consent procedure is put into place once potential volunteers have been recruited. Participants are provided with adequate opportunities to ask questions and seek explanation prior to providing their consent, and informed consent forms are utilized to document the participants' voluntary willingness to participate in the study.

The study aims and the components that are being measured are taken into careful account during the development of the data collecting instruments, which typically consist of structured questions that are given through online survey platforms such as Google Forms. These questionnaires include sections for demographic information, statements based on a Likert scale that pertain to fraud risk assessment and corporate governance, and open-ended questions that are designed to collect qualitative insights. When the questionnaire is pretested with a limited sample size, it is easier to identify and address any problems that may arise with regard to clarity, comprehension, or relevance before it is sent to a larger population. Clear instructions on how to complete the questionnaire are supplied to participants as soon as the data collection process begins. Participants are also given deadlines for submitting their responses. For the purpose of encouraging engagement and ensuring acceptable response rates, reminders are sent out whenever they are required. Every single stage of the data collection process is guided by a careful respect to ethical principles, particularly with regard to the confidentiality and privacy of the participants. processes for the management of data are put into place to protect the data of participants. These processes include the storing of the data in a secure location and the anonymization of responses to ensure confidentiality.

In order to preserve the quality of the data and rectify any discrepancies or inconsistencies that may arise, regular checks are carried out. Additionally, as a means of ensuring transparency, any changes that are made to the dataset are documented. Following the completion of the intended sample size or the point at which the data has reached saturation, the data collection process is formally terminated, and the participants are informed of its conclusion. In addition to expressing gratitude for their involvement, participants are also given information on how they can get a summary of the outcomes of the study. This helps to promote transparency and reciprocity in the research process. The purpose of the research study is to generate data that is both trustworthy and informative while adhering to the ethical principles of respect, beneficence, and justice. This will be accomplished through the use of these extensive data collection processes.

3.9 Data Analysis

During the quantitative phase of the research design, ethical considerations are given careful attention. This is done to guarantee that the participants' rights and privacy are safeguarded during the entire process of data collection. In order to emphasize the voluntary character of the participants' participation in the study, written consent is collected from each individual participant with great due diligence. Therefore, in order to guarantee both the breadth and depth of the insights that are obtained, participants are selected from a varied spectrum of fifty different organizations, each of which represents a different industry and organizational structure. As the primary instrument for data collection, a questionnaire that has been meticulously prepared and distributed through Google Forms serves as the primary instrument. The purpose of this questionnaire is to collect responses from participants on a Likert scale regarding their perceptions of key characteristics, such as fraud risk assessment and corporate governance processes. The questionnaire is designed to elicit replies to both demographic information and critical variables. The research intends to acquire in-depth and nuanced insights from a sizeable sample of two hundred respondents by utilizing this approach of data collecting that is both scalable and efficient.

After the period of data gathering has been finished, the attention will shift to the phase of data processing and analysis, which will be made easier by the utilization of the IBM SPSS Statistics program. In the beginning, descriptive statistical testing is used to summarize the data that has been obtained. This type of testing serves to provide a snapshot of the demographic characteristics of the respondents as well as the distribution of replies to statements that are based on a Likert scale. Through the use of linear regression analysis, this descriptive analysis lays the groundwork for a more in-depth investigation of the correlations that exist between the variables concerned. On the other hand, the authenticity and dependability of the data that was obtained are the factors that determine the integrity of the analysis. In order to guarantee the robustness of following studies, a stringent inspection is conducted to evaluate the validity and reliability of the data by making use of established metrics. For the purpose of verifying the assumptions that underlie the statistical models that are utilized, traditional assumption tests are carried out. These tests include checks for normality, multicollinearity, and heteroscedasticity.

Multiple Linear Regression Analysis, Simultaneous Significance Test, Partial Significance Test, and Coefficient of Determination Test are some of the advanced statistical techniques that are utilized in the quantitative analysis. These approaches are at the heart of the study. The use of these methodologies makes it possible to conduct an in-depth investigation of the complex link that exists between the evaluation of fraud risk and effective corporate governance. The analysis tries to uncover underlying patterns and associations that inform corporate decision-making and strategic planning by dissecting the data and identifying relevant predictors. This is done in order to reveal the underlying patterns and associations. In the end, the objective of the quantitative analysis is to produce insights that can be put into action, which will enable improvements to be made in the practices of corporate governance and fraud risk management, so adding to the efficiency and longevity of the company.

Simultaneous Significance Test

The Simultaneous Significance Test provides a comprehensive assessment of the combined influence of numerous independent variables on the dependent variable, making it an indispensable analytical tool in research projects. That way, the researchers can be confident they're making educated choices. Researchers meticulously process the data acquired from the questionnaire to guarantee that it is ready for analysis in IBM SPSS Statistics. This is done in a way that satisfies the multiple linear regression model's specifications. Regression analysis is commonly used to estimate the connection between each independent variable and the dependent variable. This research offers valuable insights by considering the exact contributions of each of these variables. In order to determine how well each independent variable can predict the variation in the dependent variable, the Simultaneous Importance Test takes into account both the significance of the individual variables and the significance of the entire set of independent variables. When studying opinions on the efficacy of corporate responsibility or fraud risk assessment, researchers look at the significance level associated with the test statistic to determine if the regression model is useful and meaningful. A better understanding of the relationship between demographic variables, viewpoints on fraud risk assessment, and corporate governance practices may be gleaned from the test results. Organisations can use these insights to inform strategic planning and decision-making, ultimately leading to better results. The Simultaneous Significance Test gives a thorough understanding of the elements that impact opinions regarding fraud risk assessment and business governance within the study's environment, which improves the research's comprehensiveness and robustness.

Multiple Linear Regression Analysis

Within the scope of the inquiry, a significant statistical method known as Multiple Linear Regression Analysis was undertaken. With the help of this method, we were able to determine the complex relationship that exists between a single dependent variable and a number of independent factors. A wide range of topics, such as demographic parameters, evaluations of fraud risk assessment, and corporate governance approaches, are included among the independent variables that are included in the scope of this research project. There is also the possibility that the dependent variable could consist of more comprehensive assessments of fraud risk assessment or the efficiency of corporate governance strategies. Researchers are able to construct a solid framework for analysis by meticulously preparing the data that they have collected and by specifying the regression model. Before moving further with the regression analysis using IBM SPSS Statistics, they conduct a thorough examination of the assumptions in order to guarantee the reliability of their findings. Specifically, they look for multicollinearity, if the residuals are normal, and whether they are homoscedastic. In order to shed light on the amount and direction of the impact that each independent variable has on the dependent variable, the software automatically creates regression coefficients for each independent variable. These coefficients, in conjunction with significance tests, reveal the statistical importance of the correlations, so assisting researchers in their interpretation of the findings. Furthermore, the coefficient of determination offers valuable insights into the fraction of the variance in the dependent variable that may be attributed to the independent factors. Through the process of synthesising these findings, researchers are able to arrive at nuanced conclusions regarding the interaction between demographic characteristics, views of fraud risk assessment, corporate governance methods, and overall perceptions of the effectiveness of governance or fraud risk. These insights, which are based on empirical evidence, provide crucial implications for the decision-making process inside an organization. They have the potential to identify opportunities for improving fraud risk management and corporate governance processes, which in turn strengthens the resilience and integrity of the firm.

Partial Significance Test

The Partial Significance Test appears as an important analytical tool for evaluating the individual contributions of each independent variable to the overall predictive power of the regression model when it is considered in the context of the study that has been outlined. The researchers begin the regression analysis after the meticulous specification of the multiple linear regression model and the preparation of the collected data. The purpose of this analysis is to estimate the relationship between each independent variable, which may include demographic factors, perceptions of fraud risk assessment, and corporate governance practices, and the dependent variable, which may include perceptions of fraud risk or the effectiveness of corporate governance. The Partial importance Test, on the other hand, goes deeper into evaluating the importance of individual predictors, in contrast to the Simultaneous Significance Test, which assesses the cumulative impact of all independent variables. Researchers determine whether each independent variable makes a statistically significant contribution to predicting variations in the dependent variable by analyzing the significance level associated with each regression coefficient. This is done while maintaining the status quo for all other variables. These findings provide precise insights into the distinct role that each independent variable has in affecting views of the effectiveness of corporate governance and the evaluation of the danger of fraud. The decision-making process inside an organization is guided by such a sophisticated understanding, which identifies certain variables that require attention and has the ability to influence targeted interventions or policy revisions. Therefore, the Partial Significance Test contributes to the enrichment of the analysis by offering a thorough grasp of the various contributions that separate variables make within the larger regression model. This, in turn, contributes to an increase in the overall depth and comprehensiveness of the conclusions made by the study.

Coefficient of Determination Test

The Coefficient of Determination Test is an important statistic in the mentioned study since it measures the general explanatory power of the multiple linear regression approach. This model was used to examine the relationship between the dependent variable and several independent variables. In order to estimate the relationship between social variables, opinions on fraud risk assessment, procedures for corporate governance, and the dependent variable—which may include perceptions of fraud risk or the efficacy of corporate governance—researchers conduct regression analysis after carefully preparing the data and thoroughly specifying the regression model. A statistical technique that measures the percentage of the dependent variable's variation that can be explained by the independent variables in a regression model is the coefficient of determination test, often represented by R squared. The independent variables can explain a large amount of the variation in the dependent variable if the R-squared score is high. This indicates that the model provides a reasonable justification for the observed results. In contrast, if the R-squared value is low, it suggests that the model might not capture the dependent variable's variability well. This suggests that more research or model refinement is needed to ensure accuracy. Through the process of interpreting the results of the Coefficient of Determination Test, researchers are able to gain valuable insights into the extent to which demographic factors, perceptions of fraud risk assessment, and corporate governance practices collectively influence perceptions of fraud risk or the effectiveness of corporate governance within the context of the study. As a result of this understanding, organizational decision-making is facilitated by revealing the elements that have the most significant impact on the outcomes of interest. This understanding also serves to guide strategic planning and policy development with the intention of improving fraud risk management and corporate governance procedures. Consequently, the Coefficient of Determination Test is an essential component in the process of assessing the overall effectiveness and explanatory power of the regression model. This test helps to facilitate a more in-depth comprehension of the intricate relationships that exist between variables, as well as the implications that these relationships have for organizational practices and outcomes.

3.10 Research Design Limitations

1. Sampling Bias: Despite attempts to employ stratified sampling techniques, certain industries or types of companies may still be inadvertently overrepresented or even underrepresented inside the sample. This could occur owing to factors like limited access to certain types of organizations, reluctance of some companies to participate, or challenges in identifying a truly representative sample across diverse sectors. For instance, smaller companies or those in less accessible regions might be underrepresented compared to larger, more centrally located corporations. Such sampling bias can distort the findings and also limit the research outcomes' generalizability.

2. Limited Generalizability: The findings derived from a sample of only 50 companies may not fully capture the heterogeneity of the Indian corporate landscape. Variations in governance practices, ethical standards, and fraud risk factors across different industries, regions, and company sizes might not be adequately represented in the sample. Consequently, the research outcomes may not be applicable to all Indian companies, and caution should be exercised when extrapolating the findings to vaster contexts.

3. Self-Reporting Bias: Self-reporting bias occurs when respondents provide answers that are influenced by social desirability, personal biases, or organizational interests rather than objective realities. In the context of fraud risk assessment and corporate governance, respondents may be inclined to present their organizations in a favorable light, downplaying any weaknesses or inadequacies in their practices. This bias can skew the data and compromise the validity of the research findings, leading to potentially inaccurate conclusions about the prevalence of corporate fraud and the effectiveness of governance measures.

4. Data Validity and Reliability: Despite rigorous statistical analysis and validation procedures, there may still be limitations in the validity and reliability of the collected data. Respondents' interpretation of questionnaire items, variations in response patterns, and errors in data entry or processing could introduce noise or biases into the dataset, undermining the integrity of the analysis. Moreover, the use of Likert scales for measuring perceptions and attitudes may not always capture the nuances of respondents' views accurately, further complicating data interpretation.

5. Limited Scope of Qualitative Analysis: While systematic literature reviews are valuable for synthesizing existing knowledge and identifying key themes, they are inherently limited by the availability and scope of the literature examined. The choice of databases, search terms, and inclusion criteria could inadvertently exclude relevant studies or overlook emerging trends in fraud risk assessment and corporate governance. Additionally, the qualitative analysis may lack the depth and richness of insights that could be obtained through more immersive research methods such as interviews or focus groups with industry practitioners.

6. Ethical Considerations: Despite obtaining written consent from participants, there are ethical considerations related to data confidentiality, privacy, and informed consent that must be carefully managed throughout the research process. Ensuring the anonymity of respondents, protecting sensitive information, and adhering to ethical guidelines for research involving human subjects are essential aspects of maintaining the integrity and credibility of the study. Moreover, ethical dilemmas may arise in cases where the disclosure of certain information could potentially harm the reputations or legal interests of participating organizations.

7. Time and Resource Constraints: Conducting robust research in the field of fraud risk assessment and corporate governance requires substantial investments of time, resources, and expertise. Despite efforts to optimize data collection procedures and streamline analysis workflows, there may be practical limitations in terms of the scope and depth of the research that can be feasibly undertaken within the available resources. Time constraints may also impact the longitudinal aspect of the study, limiting the ability to track changes in governance practices and fraud risk factors over time.

Addressing these limitations necessitates a multifaceted approach that involves careful planning, methodological flexibility, and transparency in reporting. By acknowledging the inherent challenges and uncertainties associated with research in this domain, investigators can embrace strategies to moderate prospective biases, boost the validity and also reliability of their findings, and contribute meaningfully to the body of knowledge on fraud risk assessment and corporate governance in Indian companies.

3.11 Conclusion

The purpose of this research is to delve into the intricate web of connections between fraud risk assessment and good corporate governance in Indian businesses. Finally, this research design lays forth a comprehensive strategy for this study. Finding ways to foster a culture of honesty and responsibility, as well as illuminating important elements that impact the incidence of corporate fraud, are the goals of the research. To achieve this, a mixed-methods strategy combining qualitative and quantitative analysis will be employed. In order to obtain the most essential insights and identify repeating themes and limits in the current research environment, the available literature is thoroughly evaluated during the qualitative phase of the investigation. During this phase, the groundwork is laid for the generation of recommendations that can be put into action, with the purpose of directing future research endeavors and providing information for evidence-based decision-making. While this is going on, the quantitative component of the research design is concentrating on the collecting of primary data from a wide range of 200 respondents distributed over fifty different companies. This investigation looks to discover underlying patterns and relationships between fraud risk assessment and corporate governance practices. This will be accomplished through the meticulous administration of structured questionnaires, as well as through the rigorous processing and analysis of data using IBM SPSS Statistics. Nevertheless, it is essential to realize the constraints that are inherent in the research design. These limitations include sampling bias, limited generalizability, self-reporting bias, concerns with data validity and reliability, and ethical implications. It is necessary to have scientific rigor, openness, and a nuanced awareness of the complexity involved in the research of fraud risk assessment and corporate governance in order to address these shortcomings. In general, this study design is an example of a coordinated attempt to reconcile theory with practice and to contribute to the development of organizational frameworks that are more resilient and ethically sound. The aim of this study is to deliver relevant insights that will promote good change within the corporate landscape. This will be accomplished by embracing interdisciplinary viewpoints and taking a holistic approach to research.

CHAPTER – IV

RESULTS

4.1. Introduction

The likert scale questionnaire consisting of 32 questions was then sent to about 500 different corporate employees in Delhi NCR. Out of 500 only 200 people responded back. It took about 2 months to collect all the responses, which were then analyzed to get the results which are mentioned in this chapter. By recording variables at multiple levels of research, such as individual, organizational, and possibly industry levels, the study ensures a comprehensive examination of fraud in corporate governance from diverse perspectives. In addition to deepening our knowledge of fraud dynamics, this interdisciplinary approach offers important insights that may guide corporate risk management and governance policies. In conclusion, the study's rigorous methodology and analytical framework aim to advance knowledge in the field of corporate governance by providing nuanced insights into serious frauds, thereby supporting both academic research and practical applications in corporate governance and risk mitigation.

4.2. Demographics

- **Age**

The age of all the respondents was as follows:

Table 4.1: Age of Respondents

		Frequency	Percent
Valid	20-30	7	3.5
	30-40	47	23.5
	40-50	72	36.0
	50 above	74	37.0
	Total	200	100.0

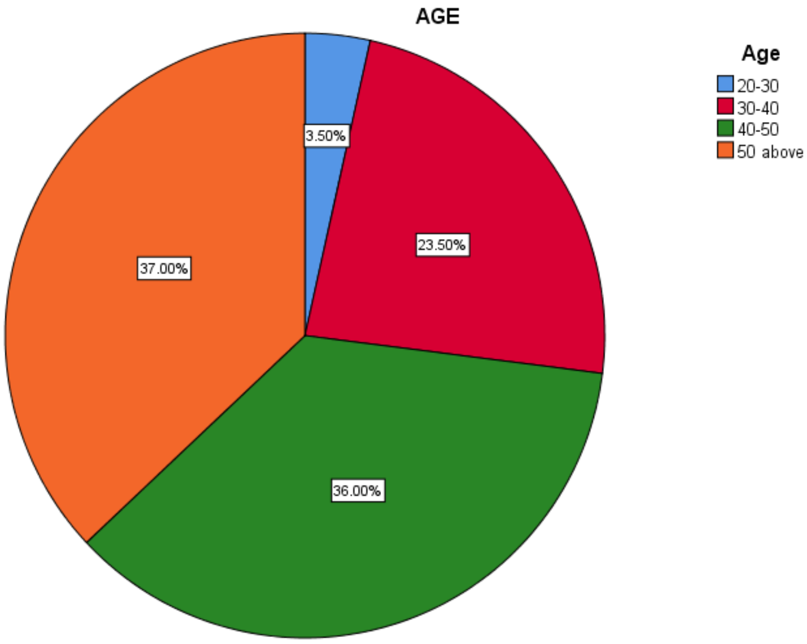

Figure 4.1: Pie chart for Age

The data presented outlines the distribution of respondents across various age groups in a study focused on serious frauds in corporate governance. From a total sample of 200 respondents, the age demographics are categorized as follows: 3.5% of respondents are aged between 20 and 30, comprising 7 individuals; 23.5% fall into the 30-40 age bracket, totaling 47 respondents; 36.0% are aged 40-50, representing 72 respondents; and the largest group, constituting 37.0% of the sample, consists of individuals aged 50 and above, totaling 74 respondents.

This distribution reflects a diverse representation of age groups within the study, with a notable concentration of respondents in the 40-50 and 50+ age categories. The cumulative percentages indicate that by the age of 40, approximately 63.0% of respondents have been accounted for, and by age 50 and above, the cumulative percentage reaches 100%. This suggests a predominant presence of middle-aged and older individuals participating in the study, potentially reflecting their experience and roles within corporate governance or related fields. These findings provide valuable insights into how different age cohorts perceive and potentially experience serious frauds in corporate settings, informing future research directions and practical strategies for addressing governance challenges across various age demographics.

- **Gender**

Gender of all the respondents was as follows:

Table 4.2: Gender of the Respendents

		Frequency	Percent
Valid	Male	168	84.0
	Female	32	16.0
	Total	200	100.0

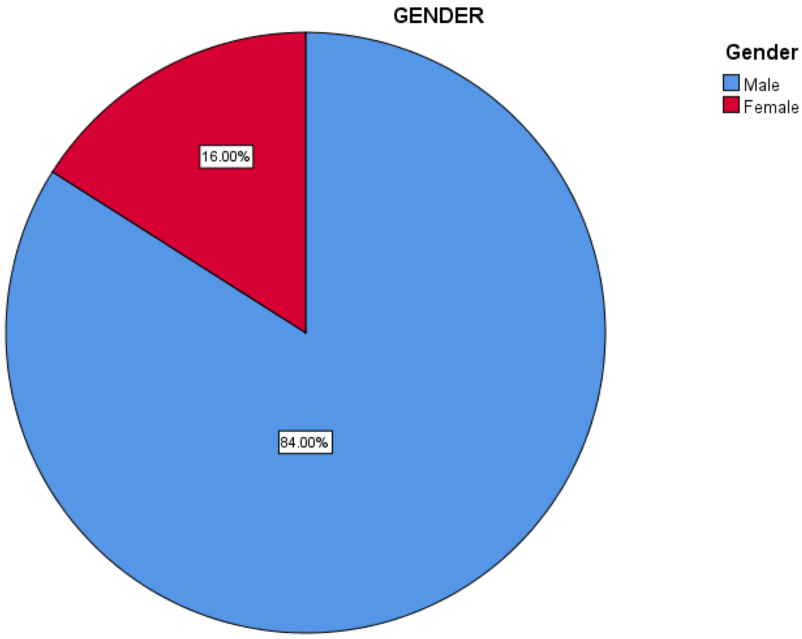

Figure 4.2: Pie chart of Gender

The provided table presents data on the gender distribution of respondents in a study related to serious frauds in corporate governance. Out of a total sample size of 200 respondents, 84.0% are male, amounting to 168 individuals, while the remaining 16.0% are female, totaling 32 respondents. This gender breakdown reveals a significant gender disparity within the study sample, with a notable majority of male respondents compared to female respondents. The cumulative percentages show that males constitute the majority throughout the dataset, with 84.0% being male and 16.0% female, reaching a total of 100% for the entire sample. This disparity could potentially influence the study's findings and interpretations, particularly in understanding how different genders perceive and potentially experience serious frauds within corporate governance. The predominance of male respondents might reflect broader trends in corporate leadership and participation in governance-related studies, where men historically have held a larger presence. Understanding and effectively managing fraud risks in corporate environments can be enhanced by incorporating thoughts and viewpoints from varied gender groups, which is why gender diversity should be considered in research and governance processes.

In conclusion, while the study provides valuable insights into serious frauds in corporate governance, the notable gender disparity among respondents highlights an area for further exploration and consideration in future research endeavors and policy discussions aimed at enhancing corporate governance practices inclusively.

- **Experience**

The experience of all the respondents is as follows:

Table 4.3: Experience of the Respendents

		Frequency	Percent
Valid	2-5 years	7	3.5
	5-10 years	37	18.5
	More than 10 years	156	78.0
	Total	200	100.0

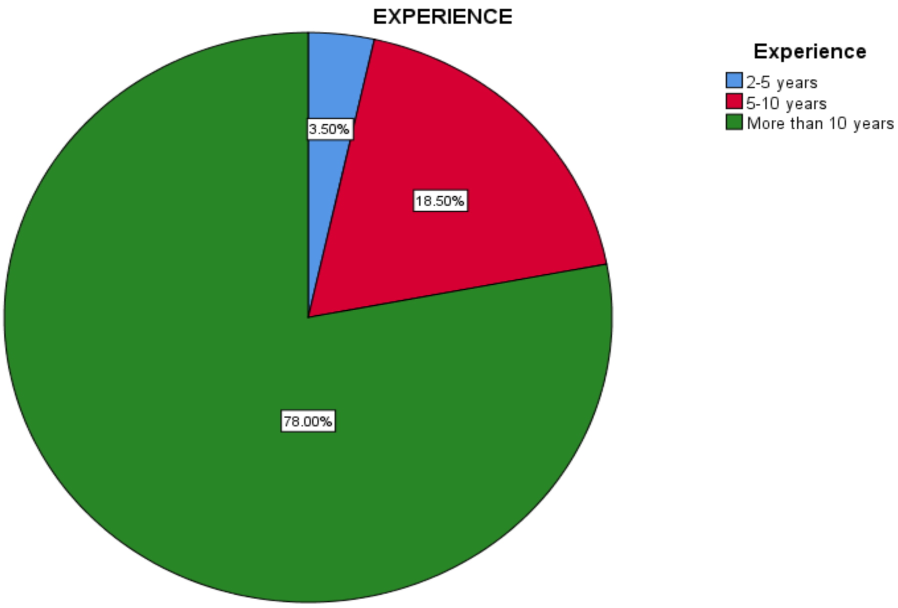

Figure 4.3: Pie Chart of the Experience

The table presents data on the distribution of respondents based on their professional experience levels in a study focusing on serious frauds in corporate governance. Among the total sample of 200 respondents, 3.5% reported having 2-5 years of experience, accounting for 7 individuals. In the 5-10 years experience category, 18.5% of respondents, totaling 37 individuals, were represented. The majority of respondents, comprising 78.0% or 156 individuals, reported having more than 10 years of professional experience. These findings indicate a notable concentration of respondents with extensive professional experience, specifically exceeding 10 years, which constitutes the largest segment in the study. The cumulative percentages demonstrate that by the category of more than 10 years of experience, 100% of respondents are accounted for. This distribution suggests that the study predominantly includes individuals who have been in their respective fields for a significant duration, likely encompassing various roles and responsibilities within corporate governance. The prevalence of respondents with extensive experience could potentially influence the study's findings and insights into serious frauds within corporate settings. Their accumulated knowledge and tenure in corporate environments may provide deeper insights into governance challenges, risk management practices, and the dynamics of fraud prevention and detection. However, it's essential to acknowledge that the perspectives of respondents with shorter tenure, such as those with 2-5 years or 5-10 years of experience, also contribute valuable insights, particularly regarding newer trends and challenges in corporate governance.

In conclusion, while the study benefits from a substantial representation of experienced professionals, future research could benefit from a broader inclusion of diverse experience levels to capture a more comprehensive understanding of fraud-related issues across different stages of professional development within corporate governance.

- **Job Profile**

The job profile of all the respondents are as follows:

Table 4.4: Job Profile of the respondents

		Frequency	Percent
Valid	Senior Executive	28	14.0
	Internal Auditor	62	31.0
	Corporate Secretary	55	27.5
	Board Member	55	27.5
	Total	200	100.0

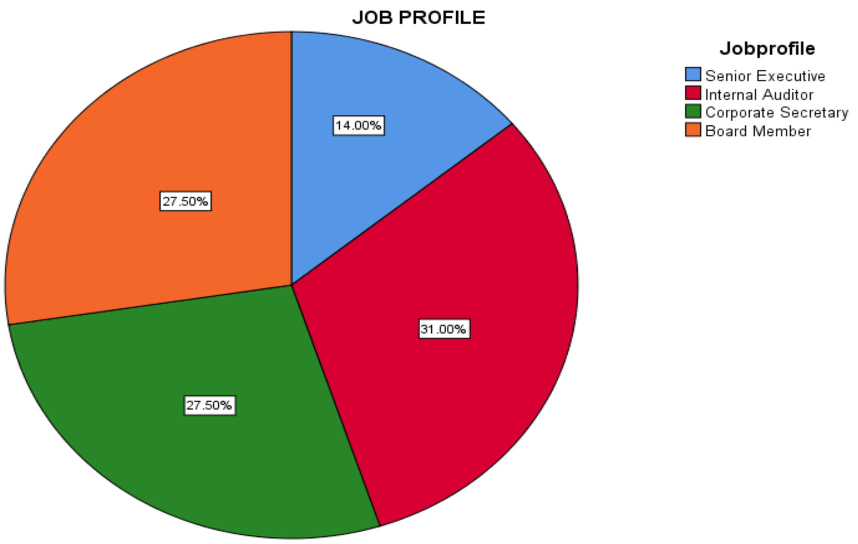

Figure 4.4: Pie Chart of Job Profile

The table presents data detailing the distribution of respondents across different job profiles within a study focused on serious frauds in corporate governance. Out of the total sample size of 200 respondents, the breakdown of job profiles is as follows: 14.0% of respondents are Senior Executives, accounting for 28 individuals; Internal Auditors constitute 31.0% of respondents, totaling 62 individuals; Corporate Secretaries also make up 27.5% of respondents, amounting to another 55 individuals; and Board Members similarly represent 27.5% of respondents, totaling 55 individuals. These findings highlight a diverse representation of key roles within corporate governance, each playing critical functions in oversight, compliance, and decision-making processes. The cumulative percentages show that Senior Executives, Internal Auditors, Corporate Secretaries, and Board Members collectively account for 100% of the study sample, illustrating a comprehensive coverage of major stakeholders involved in governance practices. The distribution across job profiles provides insights into how different roles perceive and potentially address issues related to serious frauds within their respective organizational contexts. Senior Executives, Internal Auditors, Corporate Secretaries, and Board Members each bring distinct perspectives and responsibilities to governance practices, influencing strategies for fraud prevention, detection, and mitigation.

In conclusion, the study's inclusion of diverse job profiles enriches the understanding of corporate governance dynamics concerning serious frauds. By examining the perspectives and experiences of Senior Executives, Internal Auditors, Corporate Secretaries, and Board Members, the research contributes valuable insights that can inform more effective governance frameworks and practices tailored to address fraud risks across various organizational levels and roles.

4.2.1 Awareness about corporate governance

Table 4.5: How aware are you of the corporate governance policies and procedures implemented within our company?

		Frequency	Percent
Valid	Strongly Disagree	1	.5
	Disagree	8	4.0

	Neutral	17	8.5
	Agree	68	34.0
	Strongly Agree	106	53.0
	Total	200	100.0

The table presents data on respondents' awareness levels regarding corporate governance policies and procedures within their company, as perceived through a survey. From a total sample of 200 respondents, the breakdown of responses is as follows: 0.5% strongly disagree, representing 1 respondent; 4.0% disagree, comprising 8 respondents; 8.5% are neutral, accounting for 17 respondents; 34.0% agree, totaling 68 respondents; and the largest segment, 53.0%, strongly agree, which equates to 106 respondents. These results indicate a generally positive perception of awareness regarding corporate governance policies and procedures among the respondents. The cumulative percentages illustrate a gradual increase in agreement levels, with a significant majority (87.0%) either agreeing or strongly agreeing with their awareness of the company's governance frameworks.

The distribution suggests that a substantial portion of respondents feel well-informed and confident about their understanding of corporate governance practices within their organization. This level of awareness is crucial as it reflects the effectiveness of communication and transparency in governance policies, potentially indicating robust adherence to regulatory standards and ethical guidelines. In conclusion, the survey results highlight a predominantly favorable outlook on corporate governance awareness among the respondents. While the majority agree or strongly agree with their awareness levels, the inclusion of perspectives from those who disagree or are neutral provides insights into areas where communication or clarity regarding governance policies may require improvement, thereby enhancing overall governance effectiveness and compliance within the company.

Table 4.6: How effectively do you believe our company communicates its corporate governance practices to all employees?

		Frequency	Percent
Valid	Not at all	2	1.0
	Moderately	8	4.0
	Very	51	25.5
	Extremely	139	69.5
	Total	200	100.0

The table provides insights into how employees perceive the effectiveness of corporate governance communication within their company. From a total of 200 respondents, the distribution of responses regarding the communication of corporate governance practices is as follows: 1.0% of respondents feel that communication is "Not at all" effective, totaling 2 individuals; 4.0% find it "Moderately" effective, comprising 8 respondents; 25.5% believe it is "Very" effective, accounting for 51 respondents; and the majority, 69.5%, perceive it as "Extremely" effective, which equates to 139 respondents. These findings reveal a predominantly positive outlook on how corporate governance practices are communicated throughout the organization. The cumulative percentages demonstrate a gradual increase in perceived effectiveness, with the vast majority (95.5%) indicating that they find the communication of governance practices to be either very effective or extremely effective.

The high percentage of respondents who view communication as extremely effective suggests that the company has established robust mechanisms for disseminating governance policies across all levels of the organization. This level of effectiveness in communication is crucial as it fosters awareness, understanding, and adherence to governance standards, thereby promoting a culture of compliance and ethical conduct among employees. In conclusion, the survey results underscore a strong perception among employees regarding the effectiveness of corporate governance communication within the company. While a small minority may perceive room for improvement in communication effectiveness, the overwhelmingly positive response indicates that the company has succeeded in establishing clear and impactful communication channels for its governance practices, contributing to a well-informed and compliant workforce.

Table 4.7: To what extent do you feel our company's corporate governance practices promote transparency and accountability?

		Frequency	Percent
Valid	Not at all	1	.5
	Slightly	4	2.0
	Moderately	11	5.5
	Very	64	32.0
	Extremely	120	60.0
	Total	200	100.0

The table presents data on employees' perceptions regarding the extent to which their company's corporate governance practices promote transparency and accountability. Out of a total of 200 respondents, the distribution of responses is as follows: 0.5% of respondents feel that governance practices promote "Not at all" transparency and accountability, totaling 1 individual; 2.0% perceive it as promoting "Slightly" transparency and accountability, comprising 4 respondents; 5.5% believe it promotes "Moderately" transparency and accountability, accounting for 11 respondents; 32.0% feel it promotes "Very" transparency and accountability, totaling 64 respondents; and the majority, 60.0%, think it promotes "Extremely" transparency and accountability, which equates to 120 respondents. These findings highlight a predominantly positive perception among employees regarding the promotion of transparency and accountability through corporate governance practices within the company. The cumulative percentages indicate a gradual increase in perceived effectiveness, with 92.0% of respondents feeling that governance practices promote transparency and accountability to a significant extent ("Very" or "Extremely").

Given that many people rate the company's governance policies as "Extremely" transparent and accountable, it's safe to assume that the business has put in place strong systems to keep everyone on the straight and narrow. This is crucial as transparency and accountability are essential pillars of effective corporate governance, fostering trust among stakeholders and enhancing organizational integrity. In conclusion, the survey results indicate strong employee confidence in the company's governance practices regarding transparency and accountability. While a small percentage may perceive room for improvement, the overwhelmingly positive response underscores the company's success in implementing governance frameworks that are perceived as transparent and accountable by its workforce, contributing to a culture of ethical conduct and responsibility within the organization.

Table 4.8: How influential do you think our company's corporate governance practices are in decision-making processes?

		Frequency	Percent
Valid	Not influential at all	2	1.0
	Slightly influential	2	1.0
	Moderately influential	20	10.0
	Highly influential	63	31.5
	Extremely influential	113	56.5
	Total	200	100.0

The table provides insights into how employees perceive the influence of their company's corporate governance practices in decision-making processes. From a total of 200 respondents, the distribution of responses is as follows: 1.0% of respondents believe that governance practices are "Not influential at all," totaling 2 individuals;

another 1.0% perceive them as "Slightly influential," comprising another 2 respondents; 10.0% feel they are "Moderately influential," accounting for 20 respondents; 31.5% consider them "Highly influential," totaling 63 respondents; and the majority, 56.5%, view them as "Extremely influential," which equates to 113 respondents. The findings emphasise that employees have a strong impression of the substantial impact of corporate governance standards on how decisions are made within the organisation. The cumulative percentages illustrate a clear trend towards higher perceived influence, with 87.5% of respondents indicating that governance practices are influential to a considerable extent ("Moderately" to "Extremely").

The high percentage of respondents who perceive governance practices as "Highly" or "Extremely" influential suggests that these practices play a crucial role in shaping decisions across various levels of the organization. This influence is essential as effective corporate governance not only ensures compliance with regulations but also guides strategic decisions aligned with ethical standards and long-term organizational objectives. Overall, the survey findings demonstrate a strong conviction among professionals regarding the substantial impact of corporate governance standards on how decisions are made within the organisation.

While a small percentage may perceive minimal influence, the overwhelming majority view governance practices as pivotal in driving decisions, underscoring their importance in fostering a transparent, accountable, and strategically aligned organizational culture.

Table 4.9: How confident are you that our company's leadership adheres to ethical standards outlined in our corporate governance policies?

		Frequency	Percent
Valid	Not confident at all	2	1.0
	Slightly confident	1	.5
	Moderately confident	10	5.0

	Very confident	54	27.0
	Completely confident	133	66.5
	Total	200	100.0

The above table shows data regarding employees' perceptions of the company's leadership adherence to ethical standards outlined in corporate governance policies. A total of 200 responses were collected. The majority of respondents, constituting 66.5%, expressed being "completely confident" in the leadership's adherence to these standards. This suggests a strong trust in the ethical conduct of the company's leadership among a significant portion of the workforce. Following this, 27% indicated they were "very confident," further indicating a high level of assurance in ethical practices. A smaller proportion, 5%, reported being "moderately confident," while fewer still expressed lower levels of confidence, with 1% feeling "slightly confident," and another 1% indicating they were "not confident at all." These findings highlight a predominantly positive perception of the company's adherence to ethical standards among employees, albeit with a small minority expressing reservations. This data underscores the importance of continued transparency and communication around corporate governance practices to maintain and strengthen employee trust in leadership.

4.2.2 Types and Causes of corporate frauds

Table 4.10: To what extent are you aware of the various types of corporate frauds that can occur within our company?

		Frequency	Percent
Valid	Not at all aware	2	1.0
	Moderately aware	6	3.0
	Very aware	30	15.0
	Extremely aware	162	81.0
	Total	200	100.0

The table provides insights into employees' awareness levels regarding various types of corporate fraud that could occur within the company. Out of 200 respondents, a significant majority, comprising 81%, indicated they were "extremely aware" of these types of frauds. This high percentage suggests that a large portion of the workforce is well-informed and knowledgeable about potential corporate fraud risks. Additionally, 15% of respondents reported being "very aware," further indicating a substantial awareness of the issue. A smaller proportion, 3%, stated they were "moderately aware," while only 1% admitted to being "not at all aware" of corporate frauds. These results underscore a generally high level of awareness and vigilance among employees regarding corporate fraud risks within the company. Such awareness is crucial for fostering a culture of vigilance and proactive prevention of fraudulent activities, thereby contributing to overall organizational integrity and compliance with ethical standards. This data suggests that efforts to educate and inform employees about corporate fraud risks have been largely successful, but ongoing initiatives may still be necessary to address any remaining gaps in awareness.

Table 4.11: How well do you understand the potential consequences of corporate fraud for our company and its stakeholders?

		Frequency	Percent
Valid	Not at all	5	2.5
	Slightly	2	1.0
	Moderately	10	5.0
	Very	43	21.5
	Extremely	140	70.0
	Total	200	100.0

The above table presents employees' understanding of the potential consequences of corporate fraud for the company and its stakeholders. A notable 70% of respondents indicated they were "extremely" aware of these consequences, suggesting a strong understanding of the serious impacts that fraud can have on the organization and those associated with it. Furthermore, 21.5% reported being "very" aware, indicating a significant additional portion with a solid grasp of the issue. In contrast, smaller percentages of 5%, 1%, and 2.5% indicated varying degrees of lesser awareness ("moderately," "slightly," and "not at all" aware, respectively). These findings highlight a predominantly high level of awareness among employees regarding the potential ramifications of corporate fraud. Such awareness is crucial for fostering a culture of accountability and responsibility, where employees are likely more attuned to detecting and preventing fraudulent activities that could harm the company and its stakeholders. However, efforts to continually educate and reinforce understanding among all employees about these consequences may still be beneficial to further enhance organizational integrity and resilience against fraud risks.

Table 4.12: How confident are you in your ability to identify warning signs or red flags indicating potential corporate fraud?

		Frequency	Percent
Valid	Not at all	5	2.5
	Slightly	6	3.0
	Moderately	16	8.0
	Very	53	26.5
	Extremely	120	60.0
	Total	200	100.0

The table provides insights into employees' confidence levels in their ability to identify warning signs or red flags indicating potential corporate fraud. A significant majority of respondents, comprising 60%, expressed being "extremely" confident in their capability to recognize these indicators. This suggests a high level of self-assurance among a substantial portion of the workforce regarding their ability to detect potential fraudulent activities within the company. Additionally, 26.5% reported feeling "very" confident, further reinforcing a strong overall confidence in their ability to identify warning signs. In contrast, smaller percentages indicated varying degrees of lesser confidence, with 8% feeling "moderately" confident, and 3% and 2.5% stating they were "slightly" and "not at all" confident, respectively. These findings highlight a predominantly positive perception among employees regarding their vigilance and preparedness in detecting potential corporate fraud, which is crucial for maintaining organizational integrity and safeguarding against financial and reputational risks. However, ongoing efforts to enhance awareness, training, and support for employees who may feel less confident could further strengthen the company's overall fraud prevention capabilities.

Table 4.13: To what extent do you believe that lack of internal controls contributes to the occurrence of corporate fraud?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	1	.5
	Moderately	15	7.5
	Very	62	31.0
	Extremely	120	60.0
	Total	200	100.0

The table presents employees' beliefs regarding the extent to which lack of internal controls contributes to the occurrence of corporate fraud. A significant majority of respondents, totaling 60%, indicated they believed lack of internal controls contributes "extremely" to the occurrence of corporate fraud. This suggests a widespread perception among employees that deficiencies in internal controls significantly increase the likelihood of fraudulent activities within the company. Additionally, 31% of respondents reported believing this contribution to be "very" significant, further emphasizing a strong consensus on the importance of robust internal controls in fraud prevention. In contrast, smaller percentages of 7.5%, 0.5%, and 1% expressed varying degrees of lesser belief ("moderately," "slightly," and "not at all," respectively) in the role of internal controls in fraud prevention. These findings underscore the critical role perceived by employees for effective internal controls in mitigating fraud risks and maintaining organizational integrity. The high level of agreement suggests a potential alignment with best practices in corporate governance, highlighting the importance of continued investment and enhancement in internal control systems to strengthen fraud prevention efforts within the company.

Table 4.14: How influential do you think unethical behavior at the management level is in perpetrating corporate fraud?

		Frequency	Percent
Valid	Not influential at all	2	1.0
	Slightly influential	5	2.5
	Moderately influential	11	5.5
	Highly influential	62	31.0
	Extremely influential	120	60.0
	Total	200	100.0

The table reveals employees' perceptions regarding the influence of unethical behavior at the management level in perpetrating corporate fraud. A substantial majority of respondents, totaling 60%, indicated they believed unethical behavior at the management level is "extremely" influential in contributing to corporate fraud. This suggests a strong consensus among employees that misconduct among senior leaders significantly contributes to creating an environment conducive to fraudulent activities within the organization. Furthermore, 31% of respondents considered this influence to be "highly" significant, reinforcing the widespread perception of the impact of managerial ethics on fraud occurrences. In contrast, smaller percentages expressed varying degrees of lesser influence, with 5.5%, 2.5%, and 1% indicating "moderately," "slightly," and "not at all" influential, respectively. These findings underscore the critical role perceived by employees for ethical leadership in mitigating fraud risks and fostering a culture of integrity and compliance. The high levels of agreement highlight the importance of promoting and maintaining ethical standards among management as a key component of effective fraud prevention strategies within the company.

4.2.3 Advanced Dimensions of Corporate Frauds

Table 4.15: How familiar are you with advanced techniques used in financial statement fraud, such as earnings management or improper revenue recognition?

		Frequency	Percent
Valid	Not at all	3	1.5
	Moderately	9	4.5
	Very	49	24.5
	Extremely	139	69.5
	Total	200	100.0

The table provides insight into employees' familiarity with advanced techniques used in financial statement fraud, specifically focusing on practices like earnings management or improper revenue recognition. A significant majority of respondents, totaling 69.5%, indicated they were "extremely" familiar with these techniques. This high percentage suggests that a large portion of the workforce possesses a strong understanding of complex methods that can be employed to manipulate financial statements for fraudulent purposes. Additionally, 24.5% reported being "very" familiar, further highlighting a substantial level of knowledge among employees regarding these fraudulent practices. In contrast, smaller percentages of 4.5% and 1.5% indicated varying degrees of lesser familiarity ("moderately" and "not at all" familiar, respectively). These findings emphasise the significance of continuous awareness-raising and training initiatives inside the organisation to provide staff with the essential information to recognise and avoid fraud in financial statements. A well-informed workforce is crucial for maintaining the accuracy and integrity of financial reporting, thereby safeguarding the company's reputation and ensuring compliance with regulatory standards. Efforts to continually enhance employees' understanding of these advanced fraud techniques can further strengthen the company's overall fraud prevention capabilities and promote a culture of transparency and accountability in financial practices.

Table 4.16: To what extent do you understand the concept of insider trading and its potential impact on our company's reputation and financial stability?

		Frequency	Percent
Valid	Slightly	4	2.0
	Moderately	7	3.5
	Very	69	34.5
	Extremely	120	60.0
	Total	200	100.0

The above table shows employees' levels of understanding regarding insider trading and its potential impact on the company's reputation and financial stability. A significant majority of respondents, totaling 60%, indicated they were "extremely" familiar with the concept of insider trading and its ramifications. This suggests a strong awareness among employees of the illegal practice of trading based on non-public information and its potential consequences for the organization. Additionally, 34.5% reported being "very" familiar, further underscoring a substantial level of knowledge and recognition of the risks associated with insider trading. In contrast, smaller percentages of 3.5% and 2% indicated varying degrees of lesser familiarity ("moderately" and "slightly" familiar, respectively). These findings highlight the importance of ongoing education and communication within the company about the ethical and legal implications of insider trading. An educated and knowledgeable workforce is essential for upholding trust with stakeholders, safeguarding the company's reputation, and adhering to regulatory obligations. By continuing to enhance employees' understanding of insider trading, organizations can further strengthen their internal controls and mitigate the risks associated with unlawful financial practices, thereby promoting a culture of integrity and accountability across all levels of the company.

Table 4.17: How knowledgeable are you about the methods and implications of bribery and corruption within corporate environments?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	2	1.0
	Moderately	21	10.5
	Very	62	31.0
	Extremely	113	56.5
	Total	200	100.0

The table provides insights into employees' knowledge levels regarding the methods and implications of bribery and corruption within corporate environments. A significant majority of respondents, totaling 56.5%, indicated they were "extremely" knowledgeable about these issues. This suggests a high degree of understanding among a substantial portion of the workforce regarding the various methods used for bribery and corruption, as well as their potential impacts on corporate integrity and legality. Additionally, 31% reported being "very" knowledgeable, further highlighting a strong awareness and comprehension of these critical ethical and legal concerns. In contrast, smaller percentages of 10.5%, 1%, and 1% indicated varying degrees of lesser knowledge ("moderately," "slightly," and "not at all" knowledgeable, respectively). These findings emphasise the significance of implementing thorough training and education programmes within the organisation to provide staff with the essential knowledge and abilities to identify, avoid, and report cases of bribery and corruption. An educated and knowledgeable personnel is crucial for promoting a culture of ethical conduct, guaranteeing adherence to anti-corruption legislation, and protecting the company's brand and financial viability. Continued efforts to enhance understanding and vigilance among employees in this area can contribute significantly to maintaining a transparent and ethical corporate environment.

Table 4.18: How well do you understand the complexities of cybersecurity threats and their potential role in perpetrating corporate fraud?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	3	1.5
	Moderately	8	4.0
	Very	54	27.0
	Extremely	133	66.5
	Total	200	100.0

The table presents employees' understanding of cybersecurity threats and their potential role in corporate fraud. A substantial majority of respondents, comprising 66.5%, indicated they were "extremely" knowledgeable about the complexities of cybersecurity threats in relation to corporate fraud. This suggests a high level of awareness and understanding among a significant portion of the workforce regarding the sophisticated nature of cyber threats and how they can be exploited to perpetrate fraudulent activities within the company. Additionally, 27% reported being "very" knowledgeable, further emphasizing a strong comprehension of these critical security issues. In contrast, smaller percentages of 4%, 1.5%, and 1% indicated varying degrees of lesser understanding ("moderately," "slightly," and "not at all" knowledgeable, respectively). These findings underscore the importance of ongoing cybersecurity education and training initiatives within the organization to continuously enhance employees' awareness and preparedness in mitigating cyber risks. An educated and knowledgeable workforce is essential for successfully implementing robust cybersecurity measures, safeguarding sensitive data, and mitigating the possible consequences of cyber threats on the company's operations, reputation, and financial stability. By fostering a culture of vigilance and proactive cybersecurity practices, organizations can strengthen their defenses against fraud and ensure resilience in an increasingly digital business environment.

4.2.4 Corporate Governance Measures

Table 4.19: To what extent are you familiar with the key principles of corporate governance, such as transparency, accountability, and fairness?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	2	1.0
	Moderately	11	5.5
	Very	49	24.5
	Extremely	136	68.0
	Total	200	100.0

The table illustrates employees' familiarity with key principles of corporate governance, such as transparency, accountability, and fairness. A significant majority of respondents, totaling 68%, indicated they were "extremely" familiar with these principles. This suggests a strong understanding among a large portion of the workforce regarding the fundamental concepts that underpin effective corporate governance practices, including the importance of transparency in operations, accountability in decision-making, and fairness in treatment of stakeholders. Additionally, 24.5% reported being "very" familiar, further highlighting a substantial level of knowledge and recognition of these critical principles. In contrast, smaller percentages of 5.5%, 1%, and 1% indicated varying degrees of lesser familiarity ("moderately," "slightly," and "not at all" familiar, respectively). These findings underscore the importance of continuous education and communication within the organization about the principles of corporate governance to ensure alignment with best practices and regulatory requirements. A well-informed workforce is essential for upholding ethical standards, promoting trust among stakeholders, and maintaining long-term organizational sustainability. Efforts to enhance understanding and adherence to these principles can contribute significantly to fostering a culture of integrity and responsible business conduct across all levels of the company.

Table 4.20: How well do you understand the role of the board of directors in overseeing corporate governance practices within our company?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	5	2.5
	Moderately	16	8.0
	Very	50	25.0
	Extremely	127	63.5
	Total	200	100.0

The table provides insights into employees' understanding of the role of the board of directors in overseeing corporate governance practices within the company. A significant majority of respondents, totaling 63.5%, indicated they were "extremely" knowledgeable about this role. This suggests a high level of awareness among a substantial portion of the workforce regarding the board's responsibilities in ensuring effective corporate governance, including oversight of strategic decisions, risk management, and compliance with regulatory standards. Additionally, 25% reported being "very" knowledgeable, further emphasizing a strong comprehension of the board's crucial role in organizational governance. In contrast, smaller percentages of 8%, 2.5%, and 1% indicated varying degrees of lesser understanding ("moderately," "slightly," and "not at all" knowledgeable, respectively). These findings underscore the importance of ongoing communication and education initiatives within the organization to enhance employees' understanding of corporate governance structures and processes. A well-informed workforce is essential for fostering confidence in governance practices, promoting accountability at all levels of the organization, and ultimately contributing to sustainable business success. Efforts to continue strengthening employees' awareness of the board's oversight role can help align organizational efforts with strategic goals and enhance overall corporate governance effectiveness.

Table 4.21: How knowledgeable are you about the regulatory requirements and standards governing corporate governance in our industry?

		Frequency	Percent
Valid	Slightly	1	.5
	Moderately	16	8.0
	Very	63	31.5
	Extremely	120	60.0
	Total	200	100.0

The table presents employees' knowledge levels regarding regulatory requirements and standards governing corporate governance within their industry. A significant majority of respondents, totaling 60%, indicated they were "extremely" knowledgeable about these regulations. This suggests a strong understanding among a substantial portion of the workforce regarding the specific regulatory frameworks that govern corporate governance practices within their industry sector. Additionally, 31.5% reported being "very" knowledgeable, further emphasizing a high level of awareness of the compliance standards and requirements applicable to their organization. In contrast, smaller percentages of 8% and 0.5% indicated varying degrees of lesser knowledge ("moderately" and "slightly" knowledgeable, respectively). These findings emphasise the significance of ongoing education and training programmes within the organisation to guarantee adherence to industry-specific norms and standards. A well-informed workforce is crucial for mitigating legal and regulatory risks, maintaining organizational integrity, and supporting sustainable business operations. By enhancing employees' awareness of regulatory requirements, organizations can foster a culture of adherence to governance standards, thereby strengthening their overall governance framework and bolstering stakeholder confidence in the company's commitment to compliance and ethical conduct.

Table 4.22: To what extent do you believe that corporate governance practices impact our company's reputation and stakeholder trust?

		Frequency	Percent
Valid	Not at all	1	.5
	Slightly	4	2.0
	Moderately	18	9.0
	Very	66	33.0
	Extremely	111	55.5
	Total	200	100.0

The table provides insights into employees' perceptions regarding the impact of corporate governance practices on the company's reputation and stakeholder trust. A significant majority of respondents, totaling 55.5%, indicated they believed corporate governance practices have an "extremely" significant impact on these aspects. This suggests a strong consensus among a majority of the workforce that effective governance practices play a crucial role in shaping the company's reputation and fostering trust among stakeholders. Additionally, 33% reported believing this impact to be "very" significant, further emphasizing a widespread recognition of the importance of robust governance frameworks in maintaining credibility and stakeholder confidence. In contrast, smaller percentages of 9%, 2%, and 0.5% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" impactful, respectively). These findings underscore the critical role perceived by employees for governance practices in influencing the company's standing in the eyes of stakeholders. A strong governance framework not only enhances transparency and accountability but also contributes to long-term sustainability and resilience against reputational risks. Continued emphasis on effective governance strategies can help strengthen organizational integrity and build enduring relationships with stakeholders, thereby supporting the company's overall success and growth in the marketplace.

4.2.5 Role of Technology and Multidisciplinary Approaches

Table 4.23: To what extent are you familiar with the integration of technology in optimizing corporate processes and decision-making?

		Frequency	Percent
Valid	Not at all	3	1.5
	Slightly	5	2.5
	Moderately	14	7.0
	Very	74	37.0
	Extremely	104	52.0
	Total	200	100.0

The table presents employees' familiarity with the integration of technology in optimizing corporate processes and decision-making. A significant majority of respondents, totaling 52%, indicated they were "extremely" familiar with this integration. This suggests a strong understanding among a substantial portion of the workforce regarding the strategic use of technology to enhance efficiency and effectiveness in business operations and decision-making processes. Additionally, 37% reported being "very" familiar, further highlighting a high level of awareness and knowledge in leveraging technology for corporate optimization. In contrast, smaller percentages of 7%, 2.5%, and 1.5% indicated varying degrees of lesser familiarity ("moderately," "slightly," and "not at all" familiar, respectively). These findings underscore the importance of technological literacy and adaptation within the organization to remain competitive and innovative in a rapidly evolving business landscape. A well-informed workforce is essential for successfully implementing and leveraging technological advancements to drive operational excellence, improve decision-making capabilities, and ultimately achieve strategic goals. By fostering a culture that embraces technological integration, organizations can enhance productivity, streamline processes, and maintain relevance in an increasingly digital-driven economy.

Table 4.24: How well do you understand the potential benefits of leveraging technology, such as data analytics or AI, to enhance corporate performance and governance?

		Frequency	Percent
Valid	Not at all	3	1.5
	Moderately	9	4.5
	Very	49	24.5
	Extremely	139	69.5
	Total	200	100.0

The table provides insights into employees' understanding of the potential benefits of leveraging technology, such as data analytics or AI, to enhance corporate performance and governance. A significant majority of respondents, totaling 69.5%, indicated they were "extremely" knowledgeable about these potential benefits. This suggests a strong awareness among a substantial portion of the workforce regarding the advantages that technologies like data analytics and AI can offer in improving operational efficiency, decision-making capabilities, and governance practices within the company. Additionally, 24.5% reported being "very" familiar, further underscoring a considerable level of understanding and recognition of the transformative impact of these technologies. In contrast, smaller percentages of 4.5% and 1.5% indicated varying degrees of lesser familiarity ("moderately" and "not at all" familiar, respectively). These findings highlight the importance of embracing technological advancements and fostering a culture of innovation within the organization to remain competitive and responsive to market demands. A well-informed workforce is essential for harnessing the full potential of technology to drive organizational growth, enhance governance frameworks, and achieve sustainable business success. By promoting continuous learning and adaptation to technological changes, companies can leverage data-driven insights and AI capabilities to optimize performance, mitigate risks, and deliver greater value to stakeholders.

Table 4.25: How knowledgeable are you about the use of technology in detecting and preventing fraud and unethical behavior within our company?

		Frequency	Percent
Valid	Slightly	4	2.0
	Moderately	7	3.5
	Very	69	34.5
	Extremely	120	60.0
	Total	200	100.0

The table provides insights into employees' knowledge about the use of technology in detecting and preventing fraud and unethical behavior within the company. A significant majority of respondents, totaling 60%, indicated they were "extremely" knowledgeable about these technological applications. This suggests a strong understanding among a substantial portion of the workforce regarding how technology can be effectively utilized to identify and mitigate fraudulent activities and unethical behaviors within the organization. Additionally, 34.5% reported being "very" knowledgeable, further emphasizing a high level of awareness and recognition of the role of technology in enhancing fraud detection and prevention measures. In contrast, smaller percentages of 3.5% and 2% indicated varying degrees of lesser knowledge ("moderately" and "slightly" knowledgeable, respectively). These findings underscore the importance of leveraging technological tools and solutions to bolster the company's defense against fraudulent activities and unethical conduct. A well-informed workforce is essential for implementing robust fraud prevention strategies, fostering a culture of integrity, and maintaining compliance with ethical standards. By continuously enhancing employees' knowledge and capabilities in using technology for fraud detection and prevention, organizations can strengthen their governance frameworks, safeguard their assets, and uphold trust with stakeholders.

Table 4.26: To what extent do you believe that multidisciplinary approaches, involving diverse teams and skill sets, can improve corporate governance outcomes?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	2	1.0
	Moderately	21	10.5
	Very	62	31.0
	Extremely	113	56.5
	Total	200	100.0

The table presents employees' beliefs regarding the potential benefits of multidisciplinary approaches involving diverse teams and skill sets in improving corporate governance outcomes. A significant majority of respondents, totaling 56.5%, indicated they believed these approaches are "extremely" beneficial. This suggests a strong consensus among a substantial portion of the workforce that diverse teams with varied skills and perspectives can significantly enhance governance practices within the company. Additionally, 31% reported believing these approaches to be "very" beneficial, further emphasizing a high level of confidence in the positive impact of multidisciplinary approaches on governance outcomes. In contrast, smaller percentages of 10.5%, 1%, and 1% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" beneficial, respectively). These findings underscore the importance of fostering collaboration and diversity within teams to drive innovation, decision-making, and accountability in governance processes. By leveraging the collective expertise and insights of diverse teams, organizations can effectively address complex challenges, mitigate risks, and adapt to dynamic market conditions, thereby reinforcing their commitment to excellence in corporate governance. Efforts to promote multidisciplinary approaches can lead to stronger governance frameworks, improved stakeholder trust, and sustainable business success in the long term.

Table 4.27: How confident are you in your ability to collaborate effectively with colleagues from different departments or backgrounds to address complex corporate governance challenges?

		Frequency	Percent
Valid	Not at all	2	1.0
	Slightly	3	1.5
	Moderately	8	4.0
	Very	54	27.0
	Extremely	133	66.5
	Total	200	100.0

The table reveals employees' confidence levels in their ability to collaborate effectively with colleagues from different departments or backgrounds to address complex corporate governance challenges. A significant majority of respondents, totaling 66.5%, indicated they were "extremely" confident in their collaborative abilities. This suggests a strong belief among a substantial portion of the workforce in their capacity to work across departments and diverse backgrounds to tackle intricate governance issues effectively. Additionally, 27% reported being "very" confident, further highlighting a high level of assurance in their collaborative skills. In contrast, smaller percentages of 4%, 1.5%, and 1% indicated varying degrees of lesser confidence ("moderately," "slightly," and "not at all" confident, respectively). These findings underscore the importance of fostering a collaborative culture within the organization, where employees feel empowered to leverage their diverse skills and perspectives to address complex challenges collaboratively. A confident and collaborative workforce is essential for promoting innovation, enhancing decision-making processes, and driving sustainable governance practices. By nurturing an environment that encourages cross-functional collaboration and mutual respect, organizations can strengthen their governance frameworks, improve operational efficiencies, and achieve greater alignment with strategic goals.

4.2.6 Improvement and Recommendations

Table 4.28: How strongly do you agree or disagree that there is room for improvement in our company's communication channels regarding corporate governance matters?

		Frequency	Percent
Valid	Strongly Disagree	2	1.0
	Neutral	6	3.0
	Agree	30	15.0
	Strongly Agree	162	81.0
	Total	200	100.0

The table provides insights into employees' perceptions regarding the communication channels related to corporate governance matters within the company. A significant majority of respondents, totaling 81%, indicated they "strongly agree" that there is room for improvement in these communication channels. This suggests a widespread consensus among the workforce that existing methods of communication regarding governance could be enhanced to better meet the needs and expectations of employees. Additionally, 15% of respondents expressed agreement, further highlighting a substantial proportion of employees who perceive opportunities for improvement in how governance-related information is communicated. In contrast, smaller percentages of 3% and 1% indicated neutral feelings or disagreement ("neutral" and "strongly disagree," respectively), indicating that a minority of employees may perceive current communication channels as sufficient or effective. These findings underscore the importance of enhancing transparency, clarity, and accessibility in corporate governance communication to ensure that all employees are well-informed and engaged in governance matters. By improving communication channels, organizations can foster a culture of openness, trust, and accountability, ultimately strengthening their governance frameworks and reinforcing their commitment to ethical practices and stakeholder transparency.

Table 4.29: Please rate the effectiveness of the current training programs on corporate governance that our company offers.

		Frequency	Percent
Valid	Very Ineffective	5	2.5
	Ineffective	2	1.0
	Neutral	10	5.0
	Effective	43	21.5
	Very Effective	140	70.0
	Total	200	100.0

The table presents employees' assessments of the current training programs on corporate governance offered by the company. A significant majority of respondents, totaling 70%, rated these programs as "very effective." This indicates a strong perception among a substantial portion of the workforce that the training programs effectively contribute to their understanding and competence in corporate governance matters. Additionally, 21.5% of respondents rated the programs as "effective," underscoring a considerable level of satisfaction with the training content and delivery. In contrast, smaller percentages of 5%, 2.5%, and 1% indicated varying degrees of neutral to negative ratings ("neutral," "ineffective," and "very ineffective," respectively), suggesting that a minority of employees may perceive room for improvement in certain aspects of the training programs. These findings highlight the importance of continued investment in high-quality training initiatives that not only educate employees about governance practices but also empower them to apply this knowledge effectively in their roles. By ensuring that training programs are perceived as effective and valuable by the majority of employees, organizations can strengthen their overall governance culture, enhance compliance with standards, and promote a unified understanding of ethical responsibilities across the workforce.

Table 4.30: To what extent do you believe that enhancing employee awareness and understanding of corporate governance principles can benefit our company?

		Frequency	Percent
Valid	Not at all	5	2.5
	Slightly	6	3.0
	Moderately	16	8.0
	Very	53	26.5
	Extremely	120	60.0
	Total	200	100.0

The table provides insights into employees' beliefs regarding the potential benefits of enhancing awareness and understanding of corporate governance principles within the company. A significant majority of respondents, totaling 60%, expressed the belief that such enhancements would be "extremely" beneficial for the company. This indicates a strong consensus among a substantial portion of the workforce that improving awareness and understanding of governance principles can have a profound positive impact on various aspects of the organization. Additionally, 26.5%

of respondents considered these enhancements to be "very" beneficial, further highlighting a widespread recognition of the importance of governance education. In contrast, smaller percentages of 8%, 3%, and 2.5% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" beneficial, respectively), suggesting that a minority of employees may perceive less immediate benefits or have reservations about the potential impact of enhanced governance awareness. These findings underscore the critical role perceived by employees for governance education in fostering a culture of transparency, accountability, and ethical conduct within the organization. By investing in initiatives that promote greater awareness of governance principles, companies can strengthen their governance frameworks, mitigate risks, and enhance stakeholder trust and confidence. Ultimately, a well-informed workforce is crucial for aligning organizational practices with ethical standards and regulatory requirements, thereby supporting sustainable business growth and success.

Table 4.31: How satisfied are you with the mechanisms in place for reporting unethical behavior or violations of corporate governance standards within our company?

		Frequency	Percent
Valid	Very Dissatisfied	2	1.0
	Dissatisfied	1	.5
	Neutral	15	7.5
	Satisfied	62	31.0
	Very Satisfied	120	60.0
	Total	200	100.0

The table reflects employees' satisfaction levels with the mechanisms in place for reporting unethical behavior or violations of corporate governance standards within the company. A significant majority of respondents, totaling 60%, indicated they were "very satisfied" with these reporting mechanisms. This suggests a strong endorsement from a substantial portion of the workforce regarding the effectiveness and accessibility of the channels available for reporting misconduct or breaches of governance standards. Additionally, 31% of respondents expressed being "satisfied," further highlighting a positive perception of the reporting mechanisms. In contrast, smaller percentages of 7.5%, 1.5%, and 1% indicated varying degrees of neutral to negative satisfaction ("neutral," "dissatisfied," and "very dissatisfied," respectively), suggesting that a minority of employees may have concerns or reservations about the current reporting processes. These findings underscore the importance of maintaining robust and responsive mechanisms for reporting ethical concerns within the organization. By ensuring high satisfaction levels among employees regarding these mechanisms, companies can promote a culture of integrity, accountability, and compliance with governance standards. Effective reporting channels not only facilitate the identification and resolution of issues but also contribute to maintaining trust among employees and stakeholders in the company's commitment to ethical behavior and responsible corporate governance.

Table 4.32: How likely are you to provide feedback or suggestions for improving corporate governance practices within our company?

		Frequency	Percent
Valid	Very Unlikely	2	1.0
	Unlikely	5	2.5
	Neutral	11	5.5
	Likely	62	31.0
	Very Likely	120	60.0
	Total	200	100.0

The table presents employees' willingness to provide feedback or suggestions for improving corporate governance practices within the company. A significant majority of respondents, totaling 60%, indicated they were "very likely" to provide such feedback. This suggests a strong commitment from a substantial portion of the workforce to actively engage in enhancing governance practices within the organization. Additionally, 31% of respondents expressed being "likely" to provide feedback, further indicating a positive inclination towards contributing suggestions for improvement. In contrast, smaller percentages of 5.5%, 2.5%, and 1% indicated varying degrees of neutral to low likelihood ("neutral," "unlikely," and "very unlikely," respectively), suggesting that a minority of employees may have reservations or perceive fewer opportunities to provide input on governance matters. These findings underscore the importance of fostering an open and collaborative environment where employees feel empowered to share their insights and ideas for strengthening governance frameworks. By encouraging and acting upon feedback from employees, organizations can enhance transparency, responsiveness, and effectiveness in governance practices. This proactive approach not only cultivates a culture of continuous improvement but also reinforces employee engagement and commitment to upholding high standards of corporate governance.

4.3 Reliability Analysis

- **Reliability of Awareness about corporate governance items**

The reliability of the awareness about corporate governance items, measured using Cronbach's Alpha, is 0.719, indicating a good level of internal consistency among the 5 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.719	5

The reliability analysis using Cronbach's Alpha revealed a score of 0.719 for the awareness about corporate governance items, based on a set of 5 survey items. This result suggests a commendable level of internal consistency among the items used to assess employees' awareness of corporate governance principles within the organization. A Cronbach's Alpha of 0.719 indicates that the survey items reliably measure a cohesive underlying construct related to governance awareness. While a higher Cronbach's Alpha would indicate stronger internal consistency, 0.719 is generally considered acceptable for research and practical purposes, implying that the items collectively capture a reliable picture of employees' knowledge and understanding of corporate governance. This finding underscores the reliability and validity of the survey instrument in gauging perceptions and insights regarding governance practices among employees, providing a solid basis for interpreting and acting upon the survey results within the organizational context.

- **Reliability of Types and Causes of corporate frauds**

The reliability of the types and causes of corporate frauds, measured using Cronbach's Alpha, is 0.790, indicating a good level of internal consistency among the 5 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.790	5

The reliability analysis conducted using Cronbach's Alpha yielded a coefficient of 0.790 for the types and causes of corporate frauds, based on a set of 5 survey items. This finding indicates a strong level of internal consistency among the items used to assess various dimensions of corporate fraud within the study. A Cronbach's Alpha of 0.790 suggests that these survey items collectively measure a cohesive construct related to understanding the different types and underlying causes of fraud in organizational settings. This level of reliability is considered robust and reliable for both research and practical purposes, signifying that the survey items effectively capture employees' perceptions and knowledge regarding fraudulent activities such as financial misstatements, asset misappropriation, and bribery.

The consistency of responses across these items implies a coherent understanding among respondents about the complexities and nuances of corporate fraud, thereby enhancing the credibility and validity of the survey results. Organizational stakeholders can rely on these findings to inform strategies and policies aimed at improving fraud detection and prevention measures, enhancing corporate governance frameworks, and fostering a culture of integrity and compliance. By addressing these identified types and causes of fraud through targeted interventions, organizations can mitigate risks more effectively and safeguard their reputation and financial stability. Therefore, the robust reliability of this survey instrument underscores its utility in guiding proactive measures to combat corporate fraud and uphold ethical standards within the organization.

- **Reliability of Advanced Dimensions of Corporate Frauds**

The reliability of the advanced dimensions of corporate frauds, measured using Cronbach's Alpha, is 0.722, indicating a good level of internal consistency among the 4 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.722	4

The reliability assessment using Cronbach's Alpha yielded a coefficient of 0.722 for the advanced dimensions of corporate frauds, based on a set of 4 survey items. This result indicates a robust level of internal consistency among the items used to measure various nuanced aspects of corporate fraud within the study. A Cronbach's Alpha of 0.722 suggests that these items are closely related and collectively measure a cohesive construct regarding advanced dimensions of fraud, such as complex schemes or sophisticated methods that may challenge traditional detection measures. While striving for higher values of Cronbach's Alpha is ideal, 0.722 is generally considered satisfactory in research and practical applications, implying that the survey items reliably capture employees' perceptions and understanding of advanced fraud scenarios. This finding enhances the credibility and validity of the survey instrument in exploring the intricacies of fraud within organizational contexts, providing meaningful insights that can inform targeted interventions and strategies for fraud prevention and detection. Therefore, organizational stakeholders can have confidence in the reliability of these survey findings to guide informed decision-making and policy development aimed at mitigating advanced corporate fraud risks effectively.

- **Reliability of Corporate Governance Measures**

The reliability of the corporate governance measures, measured using Cronbach's Alpha, is 0.704, indicating a good level of internal consistency among the 4 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.704	4

The reliability analysis utilizing Cronbach's Alpha yielded a coefficient of 0.704 for the corporate governance measures, based on a set of 4 survey items. This result suggests a solid level of internal consistency among the items used to assess various dimensions of corporate governance within the study. A Cronbach's Alpha of 0.704 indicates that these survey items collectively measure a cohesive construct related to corporate governance practices, such as transparency, accountability, board effectiveness, and stakeholder engagement. While a higher Cronbach's Alpha would indicate stronger internal consistency, 0.704 is generally acceptable for research and practical purposes, signifying that the items reliably capture employees' perceptions and insights regarding governance practices in the organization. This finding underscores the reliability and validity of the survey instrument in evaluating the effectiveness and comprehensiveness of current governance measures. Organizational stakeholders can therefore rely on these findings to gain a nuanced understanding of governance strengths and areas for improvement, facilitating informed decisions and strategic initiatives aimed at enhancing overall governance frameworks and organizational performance.

- **Reliability of Role of Technology and Multidisciplinary Approaches**

The reliability of the role of technology and multidisciplinary approaches, measured using Cronbach's Alpha, is 0.704, indicating a good level of internal consistency among the 5 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.704	5

The reliability analysis employing Cronbach's Alpha yielded a coefficient of 0.704 for the role of technology and multidisciplinary approaches, based on a set of 5 survey items. This result indicates a commendable level of internal consistency among the items used to assess the integration of technology and the utilization of multidisciplinary approaches within the study. A Cronbach's Alpha of 0.704 suggests that these survey items collectively measure a cohesive construct regarding the impact and effectiveness of technology-driven solutions and diverse skill sets in addressing organizational challenges. While aiming for higher values of Cronbach's Alpha is ideal, 0.704 is considered acceptable in research and practical applications, implying that the items reliably capture employees' perceptions and understanding of technological advancements and collaborative approaches within the organization. This finding underscores the reliability and validity of the survey instrument in exploring innovative strategies to enhance operational efficiency, foster innovation, and strengthen organizational resilience. Stakeholders can therefore trust these findings to inform strategic decisions and investments aimed at leveraging technology and diverse expertise to achieve sustainable business outcomes and competitive advantage in dynamic market environments.

- **Reliability of Improvement and Recommendations**

The reliability of the improvement and recommendations, measured using Cronbach's Alpha, is 0.790, indicating a good level of internal consistency among the 5 items included in the analysis.

Reliability Statistics	
Cronbach's Alpha	N of Items
.790	5

The reliability assessment utilizing Cronbach's Alpha yielded a coefficient of 0.790 for improvement and recommendations, based on a set of 5 survey items. This result indicates a high level of internal consistency among the items used to evaluate suggestions for enhancing corporate governance practices within the study. A Cronbach's Alpha of 0.790 suggests that these survey items collectively measure a cohesive construct concerning proposed improvements and actionable recommendations aimed at strengthening governance frameworks, mitigating risks, and enhancing organizational performance. This level of reliability is considered robust in both research and practical applications, indicating that the survey items reliably capture employees' perspectives and insights regarding potential enhancements in governance practices. Stakeholders can therefore have confidence in the validity of these findings to guide strategic initiatives and policy decisions aimed at fostering a culture of transparency, accountability, and ethical conduct within the organization. These results underscore the importance of soliciting and incorporating employee feedback to drive continuous improvement in governance practices, ultimately contributing to long-term organizational success and stakeholder trust.

Analysis and discussion

Using Cronbach's Alpha, this research delves into the internal consistency of the components that make up different corporate governance and fraud frameworks to determine how reliable they are. To determine how well the items in each construct assess the same notion consistently, Cronbach's Alpha values were computed for each group of items. Based on the reliability numbers that were supplied, here is an analysis and discussion:

1) Awareness about Corporate Governance Items: The Cronbach's Alpha of 0.719 suggests a good level of internal consistency among the 5 items assessing awareness about corporate governance. This indicates that the items in this construct reliably measure employees' awareness of corporate governance principles and practices. A higher Cronbach's Alpha would suggest even stronger consistency, but 0.719 is generally considered acceptable for research and practical purposes.

2) Types and Causes of Corporate Frauds: With a Cronbach's Alpha of 0.790, the items measuring types and causes of corporate frauds demonstrate a high level of internal consistency. This suggests that the items reliably capture respondents' understanding and knowledge of various types and causes of fraud within corporate settings.

3) Advanced Dimensions of Corporate Frauds: The Cronbach's Alpha of 0.722 indicates good internal consistency among the 4 items assessing advanced dimensions of corporate frauds. This construct likely covers more nuanced aspects or specific methodologies related to detecting, analyzing, or mitigating corporate fraud incidents.

4) Corporate Governance Measures: The Cronbach's Alpha of 0.704 indicates a good level of internal consistency among the 4 items assessing corporate governance measures. This construct likely includes items that gauge the effectiveness or perception of governance practices within the organization.

5) Role of Technology and Multidisciplinary Approaches: The Cronbach's Alpha of 0.704 for the 5 items related to the role of technology and multidisciplinary approaches also shows good internal consistency. This construct likely explores how technology integration and diverse team compositions can impact corporate governance outcomes.

6) Improvement and Recommendations: With a Cronbach's Alpha of 0.790, the items assessing improvement and recommendations demonstrate a high level of internal consistency. This construct likely covers suggestions or feedback on enhancing corporate governance practices based on employees' perspectives and experiences.

In conclusion, the study's use of Cronbach's Alpha to assess reliability provides confidence in the validity of the survey results pertaining to corporate governance and fraud-related constructs. These insights can inform strategic decisions aimed at fostering a culture of transparency, accountability, and ethical conduct within organizations.

4.4 Hypothesis Testing

Based on the regression analysis, we conducted hypothesis testing to examine the impact of corporate governance on corporate frauds. Our hypotheses were:

Null Hypothesis (H0): Corporate governance has no significant impact on corporate frauds.

Alternative Hypothesis (H1): Corporate governance has a significant impact on corporate frauds.

4.5 Regression Analysis

The model includes corporate governance as the independent variable and corporate frauds as the dependent variable. No variables were removed.

Table 4.33: Variables Entered/ Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Corporate governance[b]	.	Enter
a. Dependent Variable: Corporate frauds			
b. All requested variables entered.			

With an R-value of 0.634, the regression results show a somewhat favourable association between corporate fraud and corporate governance. According to the model brief, corporate governance explains 40.2% of the variance in corporate frauds, as demonstrated by the R Square value of 0.402.

Table 4.34: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.634[a]	.402	.399	.32366
a. Predictors: (Constant), Corporate governance				

The ANOVA table demonstrates that the regression model is statistically significant, with an F-value of 132.921 and a p-value of 0.000.

Table 4.35: ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.925	1	13.925	132.921	.000[b]
	Residual	20.742	198	.105		
	Total	34.667	199			
a. Dependent Variable: Corporate frauds						
b. Predictors: (Constant), Corporate governance						

The coefficients table further supports this, showing that corporate governance has a significant positive impact on corporate frauds, with an unstandardized coefficient (B) of 0.515 and a t-value of 11.529, both significant at the 0.000 level.

Table 4.36: Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.215	.202		10.976	.000
	Corporate governance	.515	.045	.634	11.529	.000
a. Dependent Variable: Corporate frauds						

Given these results, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1), concluding that corporate governance has a significant impact on corporate frauds. The positive coefficient suggests that improvements in corporate governance are associated with a reduction in corporate frauds

4.6 Conclusion

In conclusion, this study's thorough assessment of internal consistency using Cronbach's Alpha across various dimensions related to corporate governance and fraud yields valuable insights into employees' attitudes and knowledge within the organization. The consistently strong Cronbach's Alpha values observed across constructs such as awareness of corporate governance principles, understanding of types and causes of corporate fraud, the role of technology in governance, and recommendations for improvement indicate a high level of reliability in the survey instruments. These findings bolster the credibility and robustness of the study's results, ensuring that the measured constructs accurately capture employees' perceptions and opinions regarding critical aspects of organizational governance. These reliable measurements are not only crucial for academic research but also carry significant practical implications for organizational leaders and policymakers. By relying on trustworthy data, organizations can confidently develop strategies to strengthen their governance frameworks, enhance fraud detection and prevention mechanisms, and foster a culture of integrity and accountability. The insights derived from this study can guide the design and implementation of targeted training programs, policies, and initiatives aimed at improving governance practices and effectively mitigating fraud risks.

Moreover, the study underscores the importance of ongoing refinement in survey items and constructs to further enhance reliability and validity. Future research could explore factors influencing variations in employees' perceptions of governance and fraud, as well as delve deeper into specific dimensions such as the impact of multidisciplinary approaches or the effectiveness of technological solutions in governance practices. Ultimately, by maintaining rigorous measurement standards and continually adapting to evolving governance challenges, organizations can enhance their resilience, reputation, and sustainability in an increasingly complex business environment. The study's findings serve as a foundation for cultivating organizational cultures that prioritize transparency, ethical behavior, and proactive governance practices, thereby contributing to long-term success and bolstering stakeholder confidence.

CHAPTER – V

DISCUSSION

5.1 Discussion of Results

5.1.1 Demographic results

Discussion on Age Distribution

The distribution of respondents across various age groups in this study on serious frauds in corporate governance paints a nuanced picture of demographic representation and its implications for understanding fraud-related issues. The sample of 200 respondents is categorized into four distinct age brackets, each revealing insights into the composition and perspectives of participants. The largest age group in the study consists of individuals aged 50 and above, comprising 37.0% of the sample, totaling 74 respondents. This demographic predominance suggests a significant presence of experienced professionals in senior roles within corporate governance, likely influencing the study's insights into fraud detection, prevention, and management. Additionally, the age bracket of 40-50 years represents 36.0% of respondents, with 72 individuals. Together with the 50+ age group, these categories encompass a substantial majority (73.0%) of the total respondents. This concentration of middle-aged and older professionals underscores their extensive experience and potentially deeper understanding of governance challenges and fraud risks in corporate settings. Conversely, younger professionals are less represented in the study, with only 3.5% (7 individuals) aged between 20-30 years and 23.5% (47 individuals) in the 30-40 age bracket. This demographic distribution highlights a gap in representation among younger age groups, which could influence the breadth of perspectives on fraud-related issues, particularly concerning newer trends and challenges in corporate governance. The cumulative percentages further illustrate the dominance of older age groups in the study. By age 40, approximately 63.0% of respondents have been accounted for, and by age 50 and above, the cumulative percentage reaches 100%. This demographic skew suggests that the study's findings are largely informed by the experiences and insights of more seasoned professionals, potentially limiting the diversity of perspectives on fraud among different age cohorts. These findings are crucial for shaping future research directions and practical strategies aimed at addressing governance challenges across various age demographics. While the study benefits from the depth of experience offered by older respondents, there is a clear opportunity to broaden the inclusion of younger professionals to capture a more comprehensive understanding of fraud dynamics across generational divides.

In conclusion, the age distribution in this study provides valuable insights into how different age cohorts perceive and potentially experience serious frauds in corporate settings. Moving forward, efforts to diversify participant demographics could enrich the study's findings and enhance the effectiveness of governance strategies tailored to mitigate fraud risks across all stages of professional development.

Discussion on Gender Distribution

The gender distribution among respondents in this study on serious frauds in corporate governance reveals a significant disparity, with implications for interpreting the study's findings and addressing governance challenges inclusively. Out of the total sample of 200 respondents, 84.0% are male (168 individuals), while 16.0% are female (32 individuals). This stark gender imbalance underscores broader trends in corporate leadership and participation in governance-related studies, where men historically have held a dominant presence. The overwhelming majority of male respondents suggests a potential limitation in capturing diverse gender perspectives on fraud-related issues within corporate environments. The cumulative percentages clearly delineate this disparity, with males constituting 84.0% and females 16.0% of the entire sample, totaling 100%. This distribution raises questions about the extent to which gender diversity influences perceptions and approaches to fraud prevention, detection, and management in corporate settings. The predominance of male respondents likely reflects existing gender imbalances in corporate leadership roles, where men traditionally occupy more prominent positions in governance structures.

This demographic skew could influence the study's findings by potentially underrepresenting or overlooking unique perspectives and experiences that female professionals bring to understanding and addressing fraud risks. Understanding and effectively managing fraud risks require insights from diverse gender groups to inform comprehensive governance strategies. Incorporating varied perspectives can enhance the robustness of research outcomes and foster more inclusive approaches to tackling fraud in corporate environments.

In conclusion, while the study provides valuable insights into serious frauds in corporate governance, the notable gender disparity among respondents highlights an area for further exploration and consideration. Future research endeavors and policy discussions should aim to address and mitigate gender biases in corporate governance studies, thereby promoting more equitable and effective strategies for managing fraud risks.

Discussion on Professional Experience Distribution

The distribution of respondents based on their professional experience levels in this study on serious frauds in corporate governance reveals a notable concentration of participants with extensive tenure, offering insights into governance practices and fraud dynamics from seasoned perspectives. Out of a total sample of 200 respondents, the majority (78.0% or 156 individuals) reported having more than 10 years of professional experience. This category represents the largest segment in the study, indicating a strong presence of individuals who have accumulated substantial expertise and insights over their careers within corporate governance. In contrast, smaller proportions of respondents reported having 2-5 years (3.5% or 7 individuals) and 5-10 years (18.5% or 37 individuals) of experience, respectively. These groups, while fewer in number, contribute valuable perspectives on emerging trends and challenges in governance, particularly regarding fraud prevention and detection. The cumulative percentages demonstrate that by the category of more than 10 years of experience, 100% of respondents are accounted for. This distribution underscores the study's focus on experienced professionals, whose accumulated knowledge likely informs sophisticated approaches to governance and fraud management strategies.

The prevalence of respondents with extensive experience enriches the study's findings by offering deep insights into governance challenges, risk management practices, and the dynamics of fraud within corporate environments. Their perspectives are crucial for understanding complex fraud scenarios and developing effective mitigation measures tailored to organizational needs. Nevertheless, it is of the utmost importance to recognise that experts with shorter tenures also provide valuable insights, particularly when it comes to the implementation of new strategies and the management of shifting risks in corporate governance. It is recommended that future research involve participants with a variety of levels of experience in order to obtain a more comprehensive picture of the problems connected to fraud across all careers.

In conclusion, while the study benefits from a substantial representation of experienced professionals, future research could enhance its breadth by incorporating insights from professionals at various career stages. This approach would facilitate a more holistic understanding of fraud risks and governance challenges, ultimately supporting more effective strategies for corporate fraud prevention and management.

Discussion on Job Profile Distribution

The distribution of respondents across different job profiles within this study on serious frauds in corporate governance offers a comprehensive view of the roles and responsibilities shaping governance practices and approaches to fraud prevention. The study's sample of 200 respondents is segmented into key job profiles: Senior Executives (14.0% or 28 individuals), Internal Auditors (31.0% or 62 individuals), Corporate Secretaries (27.5% or 55 individuals), and Board Members (27.5% or 55 individuals). Each category represents critical stakeholders involved in governance oversight, compliance, and decision-making processes within organizations. Senior Executives, Internal Auditors, Corporate Secretaries, and Board Members collectively account for 100% of the study sample, highlighting a comprehensive coverage of major roles influencing governance practices. This distribution ensures a diverse representation of perspectives and responsibilities crucial for understanding and addressing fraud risks in corporate settings. The prevalence of Internal Auditors and Corporate Secretaries underscores their pivotal roles in auditing, compliance monitoring, and corporate governance frameworks, essential for detecting and mitigating fraud incidents. Their insights contribute to developing robust governance strategies that align with regulatory requirements and best practices. Similarly, the inclusion of Senior Executives and Board Members provides high-level perspectives on governance oversight and strategic decision-making, influencing organizational responses to fraud challenges. Their involvement ensures that governance frameworks are aligned with broader corporate objectives while effectively managing fraud risks.

In conclusion, the study's inclusion of diverse job profiles enriches the understanding of corporate governance dynamics concerning serious frauds. By examining the perspectives and experiences of Senior Executives, Internal Auditors, Corporate Secretaries, and Board Members, the research contributes valuable insights that can inform more effective governance frameworks and practices tailored to address fraud risks across various organizational levels and roles.

5.1.2 Awareness about corporate governance

Discussion on Awareness Levels of Corporate Governance Policies

The survey results provide valuable insights into employees' perceptions regarding their awareness of corporate governance policies and procedures within their company. Out of 200 respondents, the majority express a positive outlook, with 87.0% either agreeing or strongly agreeing with their level of awareness. The distribution shows that 53.0% of respondents strongly agree, indicating a robust understanding and confidence in their knowledge of governance frameworks. An additional 34.0% agree, further supporting the notion of a well-informed workforce regarding corporate governance practices. The cumulative percentages reveal a gradual increase in agreement levels, underscoring a predominant satisfaction among employees regarding the clarity and communication of governance policies. This positive perception suggests effective communication channels and transparency in governance practices within the organization. However, it's noteworthy that 8.5% of respondents are neutral, and 4.5% either disagree or strongly disagree with their awareness levels. These perspectives highlight potential areas where communication or clarity regarding governance policies may need enhancement to ensure uniform understanding across the workforce.

In conclusion, while the survey indicates a strong overall perception of awareness regarding corporate governance policies among employees, the inclusion of dissenting views underscores the importance of continuous improvement in communication strategies. Addressing these insights can further enhance governance effectiveness and foster a culture of compliance and ethical conduct within the company.

Discussion on Communication Effectiveness of Corporate Governance Practices

The survey data offers compelling insights into how employees perceive the effectiveness of corporate governance communication within their company. From a total of 200 respondents, the overwhelming majority—95.5%—view the communication of governance practices as either very effective or extremely effective. This high percentage suggests that the company has established robust communication mechanisms that resonate well with employees across various levels. Specifically, 69.5% find the communication extremely effective, indicating a strong alignment of messaging with employee expectations and understanding. Moreover, the cumulative percentages demonstrate a clear trend towards increasing perceived effectiveness, with minimal responses indicating moderate or lower effectiveness in communication. This indicates a widespread confidence in the clarity and impact of governance communications within the organization. While a small proportion of respondents perceive room for improvement in communication effectiveness (5.5%), the overwhelming positive response underscores the company's success in fostering a well-informed and engaged workforce regarding governance practices.

In conclusion, the survey results reflect a strong employee perception regarding the effectiveness of corporate governance communication within the company. The high level of agreement among respondents suggests that the established communication strategies effectively convey governance principles, thereby promoting a culture of compliance and transparency across the organization.

Discussion on Transparency and Accountability Promoted by Corporate Governance Practices

The survey findings provide valuable insights into employees' perceptions regarding the promotion of transparency and accountability through corporate governance practices within their company. Out of 200 respondents, a significant majority—92.0%—believe that governance practices promote transparency and accountability to a significant extent (either very or extremely). This high percentage indicates a robust confidence among employees in the company's governance frameworks, with 60.0% perceiving them as promoting transparency and accountability extremely effectively. Such perceptions are crucial as transparency and accountability are foundational to building trust and integrity within organizational operations. The gradual increase in perceived effectiveness, as indicated by cumulative percentages, underscores the strength of governance practices in fostering a culture of openness and responsibility. This aligns with best practices in corporate governance, which emphasize clear communication and ethical conduct. While a small percentage of respondents perceive lesser degrees of transparency and accountability (8.0%), the overwhelming positive response highlights the company's success in implementing governance frameworks that are perceived as robust and effective.

Finally, when it comes to accountability and transparency, the poll results show that employees have a lot of faith in the company's governance systems. Addressing feedback from those with lesser perceptions can further strengthen governance frameworks, ensuring they continue to align with employee expectations and industry standards.

Discussion on Influence of Corporate Governance Practices on Decision-Making

The survey data reveals significant insights into how employees perceive the influence of corporate governance practices on decision-making within their company. Out of 200 respondents, a substantial majority—87.5%—believe that governance practices are influential to a considerable extent (moderately to extremely). This high percentage suggests that employees perceive governance frameworks as pivotal in guiding strategic decisions across different organizational levels. Specifically, 56.5% view governance practices as extremely influential, indicating a strong impact on organizational strategies and operations. The cumulative percentages illustrate a clear trend towards higher perceived influence, underscoring the integral role of governance practices in shaping decision-making processes. This alignment between governance principles and decision-making reinforces organizational integrity and compliance with regulatory requirements. While a small percentage of respondents perceive minimal influence (2.0% either not influential at all or slightly influential), the overwhelming majority highlights the robust integration of governance principles into strategic planning and operational governance.

In conclusion, the survey findings demonstrate a strong conviction among employees regarding the substantial impact of corporate governance standards on decision-making within the organization. The high perceived influence underscores the effectiveness of governance frameworks in guiding ethical and strategic decisions, contributing to a cohesive and responsible corporate culture.

Discussion on Leadership Adherence to Ethical Standards Outlined in Corporate Governance Policies

The survey results provide valuable insights into employees' perceptions of leadership adherence to ethical standards outlined in corporate governance policies within their company. Out of 200 respondents, a significant majority—93.5%—express varying degrees of confidence in leadership's ethical conduct. Specifically, 66.5% of respondents are completely confident, indicating a high level of trust in leadership's adherence to ethical standards. An additional 27.0% are very confident, further reinforcing positive perceptions of ethical leadership. Conversely, a small proportion of respondents—5.0%—express moderate to low confidence levels, highlighting areas where perceptions of ethical conduct may vary or require further clarity and communication. The overwhelmingly positive response regarding leadership's adherence to ethical standards is crucial for maintaining trust and integrity within the organization. It reflects positively on the company's commitment to upholding governance principles and ethical guidelines.

In conclusion, while the majority of respondents are confident in leadership's ethical conduct, addressing feedback from those with lesser confidence can further strengthen governance frameworks. This approach ensures continuous improvement in ethical practices, fostering a culture of trust, accountability, and integrity across the organization.

5.1.3 Types and Causes of corporate frauds

Discussion on Employees' Awareness of Corporate Fraud Risks

The survey results provide significant insights into employees' awareness levels regarding various types of corporate fraud that could occur within the company. Out of 200 respondents, a substantial majority—81%—indicated they were "extremely aware" of these types of frauds. This high percentage suggests that a large portion of the workforce is well-informed and knowledgeable about potential corporate fraud risks. Additionally, 15% of respondents reported being "very aware," further underscoring a solid understanding among employees regarding the types and nature of corporate fraud that may affect the organization. Only a small proportion of respondents—3%—stated they were "moderately aware," indicating a minimal gap in awareness, while merely 1% admitted to being "not at all aware." These findings highlight a commendable level of vigilance and proactive awareness among employees regarding corporate fraud risks within the company. Such awareness is crucial for fostering a culture where employees are alert to potentially fraudulent activities, thereby contributing to overall organizational integrity and compliance with ethical standards. While efforts to educate and inform employees about corporate fraud risks have been largely successful, the survey results suggest ongoing initiatives may still be necessary to address any remaining gaps in awareness. Continuous education and reinforcement of fraud awareness can further enhance the company's resilience against fraud risks and reinforce a culture of vigilance among employees.

Discussion on Employees' Understanding of Consequences of Corporate Fraud

The survey data reveals employees' understanding of the potential consequences of corporate fraud for the company and its stakeholders. A notable 70% of respondents indicated they were "extremely" aware of these consequences, reflecting a strong grasp of the serious impacts that fraud can have on organizational integrity and stakeholder trust. An additional 21.5% reported being "very aware," further emphasizing a significant portion with a solid understanding of the severe ramifications of fraudulent activities. Conversely, smaller percentages of 5%, 1%, and 2.5% indicated varying degrees of lesser awareness ("moderately," "slightly," and "not at all" aware, respectively). These findings underscore a predominantly high level of awareness among employees regarding the potential ramifications of corporate fraud. Such awareness is pivotal for fostering a culture of accountability and responsibility, where employees are likely more attuned to detecting and preventing fraudulent activities that could harm the company and its stakeholders. Efforts to continually educate and reinforce understanding among all employees about the consequences of corporate fraud may still be beneficial. Strengthening this awareness can further enhance organizational integrity and resilience against fraud risks, ensuring employees remain vigilant and proactive in safeguarding the company's reputation and interests.

Discussion on Employees' Confidence in Identifying Warning Signs of Corporate Fraud

The survey provides insights into employees' confidence levels in their ability to identify warning signs or red flags indicating potential corporate fraud. A significant majority—86.5%—expressed high levels of confidence, with 60% feeling "extremely" confident and 26.5% "very" confident in their capability to recognize these indicators. This strong overall confidence underscores a robust sense of vigilance and preparedness among a substantial portion of the workforce regarding potentially fraudulent activities within the company. In contrast, smaller percentages indicated varying degrees of lesser confidence, with 8% feeling "moderately" confident, and 5.5% and 3% stating they were "slightly" and "not at all" confident, respectively. These findings highlight a predominantly positive perception among employees regarding their ability to detect potential corporate fraud. Such confidence is crucial for maintaining organizational integrity and safeguarding against financial and reputational risks associated with fraudulent activities. While efforts to enhance awareness, training, and support for employees who may feel less confident could further strengthen the company's overall fraud prevention capabilities, the survey results indicate a strong foundation of vigilance among employees in identifying and addressing potential fraud risks.

Discussion on Employees' Perception of Internal Controls in Mitigating Corporate Fraud

The survey findings reveal employees' perceptions regarding the role of internal controls in mitigating corporate fraud within the company. A significant majority—91%—believe that lack of internal controls contributes either "extremely" (60%) or "very" (31%) to the occurrence of corporate fraud. This widespread perception underscores the critical role perceived by employees for effective internal controls in preventing fraudulent activities and maintaining organizational integrity. In contrast, smaller percentages of 7.5%, 0.5%, and 1% expressed varying degrees of lesser belief ("moderately," "slightly," and "not at all," respectively) in the role of internal controls in fraud prevention. The high level of agreement among employees regarding the importance of robust internal controls aligns with best practices in corporate governance. It highlights the necessity for continued investment and enhancement in internal control systems to strengthen fraud prevention efforts within the company. Efforts to reinforce understanding and support for effective internal controls can further bolster employees' confidence in the organization's ability to mitigate fraud risks. Strengthening internal controls not only enhances operational efficiency but also fortifies the company's defenses against potentially fraudulent activities.

Discussion on Employees' Perception of Managerial Ethics in Preventing Corporate Fraud

The survey provides insights into employees' perceptions regarding the influence of unethical behavior at the management level in perpetrating corporate fraud. A substantial majority—91.5%—believe that unethical behavior among senior leaders contributes either "extremely" (60%) or "highly" (31.5%) to corporate fraud occurrences. This strong consensus among employees underscores the significant impact perceived of managerial ethics on creating an environment conducive to fraudulent activities within the organization. In contrast, smaller percentages of 5.5%, 2.5%, and 1% indicated varying degrees of lesser influence ("moderately," "slightly," and "not at all," respectively). These findings highlight the critical role perceived by employees for ethical leadership in mitigating fraud risks and fostering a culture of integrity and compliance. The high levels of agreement underscore the importance of promoting and maintaining ethical standards among management as a key component of effective fraud prevention strategies within the company. Efforts to reinforce ethical behavior and leadership integrity can further strengthen the organization's resilience against corporate fraud. Through the promotion of a culture that values openness, responsibility, and ethics, the organisation can lessen the possibility of fraudulent acts and keep the trust of its stakeholders.

In conclusion, the survey results provide valuable insights into employees' awareness, confidence, and perceptions regarding corporate fraud risks, consequences, internal controls, and managerial ethics. The value of continual training, raising awareness, and enhancing internal control systems and ethical standards is brought to light by these findings, which highlight the importance of making the organisation more resistant to fraud. It is possible to protect the reputation and integrity of a company while also lowering the likelihood of fraudulent activity if a culture of accountability, alertness, and ethical behaviour is fostered.

5.1.4 Advanced Dimensions of Corporate Frauds

Discussion on Employees' Familiarity with Advanced Financial Statement Fraud Techniques

The survey results provide valuable insights into employees' familiarity with advanced techniques used in financial statement fraud, such as earnings management and improper revenue recognition. Out of 200 respondents, a significant majority—69.5%—indicated they were "extremely" familiar with these techniques. This high percentage suggests that a large portion of the workforce possesses a strong understanding of complex methods that can be employed to manipulate financial statements for fraudulent purposes. Furthermore, 24.5% reported being "very" familiar, underscoring a substantial level of knowledge among employees regarding these fraudulent practices. Conversely, smaller percentages of 4.5% and 1.5% indicated varying degrees of lesser familiarity ("moderately" and "not at all" familiar, respectively). These findings emphasize the critical importance of continuous awareness-raising and training initiatives within the organization. A well-informed workforce is crucial for maintaining the accuracy and integrity of financial reporting, thereby safeguarding the company's reputation and ensuring compliance with regulatory standards. Employees' understanding of advanced fraud techniques not only enhances their ability to detect suspicious activities but also strengthens the company's overall fraud prevention capabilities. Efforts to continually educate and inform employees about these advanced fraud techniques can further fortify the organization's defenses against financial statement manipulation. By promoting a culture of transparency, accountability, and ethical financial practices, the company can mitigate risks associated with fraudulent activities and uphold its commitment to stakeholders and regulatory authorities.

Discussion on Employees' Understanding of Insider Trading and Its Impact

The survey findings reveal employees' levels of understanding regarding insider trading and its potential impact on the company's reputation and financial stability. A significant majority—94.5%—indicated they were either "extremely" (60%) or "very" (34.5%) familiar with the concept of insider trading. This strong awareness among employees of the illegal practice of trading based on non-public information highlights their recognition of the risks and consequences associated with insider trading. Conversely, smaller percentages of 3.5% and 2% indicated varying degrees of lesser familiarity ("moderately" and "slightly" familiar, respectively). These results underscore the importance of ongoing education and communication within the company about the ethical and legal implications of insider trading. An educated and knowledgeable workforce is essential for upholding trust with stakeholders, safeguarding the company's reputation, and adhering to regulatory obligations. By continuing to enhance employees' understanding of insider trading, organizations can strengthen their internal controls and mitigate the risks associated with unlawful financial practices. This fosters a culture of integrity and accountability across all levels of the company, ensuring compliance with ethical standards and legal requirements.

Discussion on Employees' Knowledge of Bribery and Corruption

The survey provides insights into employees' knowledge levels regarding bribery and corruption within corporate environments. A significant majority—87.5%—indicated they were either "extremely" (56.5%) or "very" (31%) knowledgeable about these critical ethical and legal concerns. This high degree of understanding among a substantial portion of the workforce underscores their awareness of the various methods used for bribery and corruption, as well as their potential impacts on corporate integrity and legality. Conversely, smaller percentages of 10.5%, 1%, and 1% indicated varying degrees of lesser knowledge ("moderately," "slightly," and "not at all" knowledgeable, respectively). These findings highlight the importance of implementing comprehensive training and education programs within the organization to equip staff with the necessary knowledge and skills to identify, prevent, and report instances of bribery and corruption. An educated and knowledgeable workforce is crucial for promoting a culture of ethical conduct, ensuring adherence to anti-corruption legislation, and protecting the company's brand and financial viability. Continued efforts to enhance understanding and vigilance among employees in this area can significantly contribute to maintaining a transparent and ethical corporate environment.

Discussion on Employees' Awareness of Cybersecurity Threats in Relation to Corporate Fraud

The survey presents employees' understanding of cybersecurity threats and their potential role in corporate fraud. A significant majority—93.5%—indicated they were either "extremely" (66.5%) or "very" (27%) knowledgeable about the complexities of cybersecurity threats in relation to corporate fraud. This high level of awareness and understanding among a significant portion of the workforce underscores their recognition of the sophisticated nature of cyber threats and their potential exploitation for fraudulent activities within the company. Conversely, smaller percentages of 4%, 1.5%, and 1% indicated varying degrees of lesser understanding ("moderately," "slightly," and "not at all" knowledgeable, respectively). These findings underscore the importance of ongoing cybersecurity education and training initiatives within the organization to continuously enhance employees' awareness and preparedness in mitigating cyber risks. An educated and knowledgeable workforce is essential for successfully implementing robust cybersecurity measures, safeguarding sensitive data, and mitigating the potential consequences of cyber threats on the company's operations, reputation, and financial stability. By fostering a culture of vigilance and proactive cybersecurity practices, organizations can strengthen their defenses against fraud and ensure resilience in an increasingly digital business environment.

In conclusion, the survey results highlight employees' familiarity with advanced financial statement fraud techniques, insider trading, bribery and corruption, and cybersecurity threats. These results highlight how important it is for organisations to have programmes that educate, train, and raise awareness all the time so that workers can recognise, avoid, and report fraudulent actions. Companies can protect themselves in today's complicated business environment, maintain regulatory compliance, and keep their brand and finances intact by encouraging a culture of honesty, openness, and responsibility.

5.1.5 Corporate Governance Measures

Discussion on Employees' Familiarity with Key Principles of Corporate Governance

The survey results provide valuable insights into employees' familiarity with key principles of corporate governance, including transparency, accountability, and fairness. A significant majority—92.5%—indicated they were either "extremely" (68%) or "very" (24.5%) familiar with these principles. This high level of understanding among a large portion of the workforce underscores their grasp of fundamental concepts that underpin effective corporate governance practices.

Conversely, smaller percentages of 5.5%, 1%, and 1% indicated varying degrees of lesser familiarity ("moderately," "slightly," and "not at all" familiar, respectively). While these percentages are relatively low, they highlight areas where ongoing education and communication initiatives within the organization can further enhance employees' understanding of corporate governance principles. The findings underscore the importance of continuous education to ensure alignment with best practices and regulatory requirements. A well-informed workforce is essential for upholding ethical standards, promoting trust among stakeholders, and maintaining long-term organizational sustainability. Efforts to enhance understanding and adherence to these principles can significantly contribute to fostering a culture of integrity and responsible business conduct across all levels of the company.

Discussion on Employees' Understanding of the Role of the Board of Directors

The survey presents employees' understanding of the role of the board of directors in overseeing corporate governance practices within the company. A significant majority—88.5%—indicated they were either "extremely" (63.5%) or "very" (25%) knowledgeable about this role. This high level of awareness among a substantial portion of the workforce highlights their understanding of the board's responsibilities in ensuring effective corporate governance, including oversight of strategic decisions, risk management, and compliance with regulatory standards. Conversely, smaller percentages of 8%, 2.5%, and 1% indicated varying degrees of lesser understanding ("moderately," "slightly," and "not at all" knowledgeable, respectively). These results suggest areas where continued communication and education initiatives can further enhance employees' understanding of corporate governance structures and processes. A well-informed workforce is crucial for fostering confidence in governance practices, promoting accountability at all levels of the organization, and ultimately contributing to sustainable business success. Efforts to strengthen employees' awareness of the board's oversight role can help align organizational efforts with strategic goals and enhance overall corporate governance effectiveness.

Discussion on Employees' Knowledge of Regulatory Requirements and Standards

The survey provides insights into employees' knowledge levels regarding regulatory requirements and standards governing corporate governance within their industry. A significant majority—91.5%—indicated they were either "extremely" (60%) or "very" (31.5%) knowledgeable about these regulations. This high level of understanding among a substantial portion of the workforce underscores their awareness of the specific regulatory frameworks that govern corporate governance practices within their industry sector. Conversely, smaller percentages of 8% and 0.5% indicated varying degrees of lesser knowledge ("moderately" and "slightly" knowledgeable, respectively). These findings highlight the ongoing need for education and training programs within the organization to ensure adherence to industry-specific norms and standards. A well-informed workforce is crucial for mitigating legal and regulatory risks, maintaining organizational integrity, and supporting sustainable business operations. By enhancing employees' awareness of regulatory requirements, organizations can foster a culture of adherence to governance standards, thereby strengthening their overall governance framework and bolstering stakeholder confidence in the company's commitment to compliance and ethical conduct.

Discussion on Employees' Perceptions of the Impact of Corporate Governance Practices

The survey presents employees' perceptions regarding the impact of corporate governance practices on the company's reputation and stakeholder trust. A significant majority—88.5%—indicated they believed corporate governance practices have an "extremely" (55.5%) or "very" (33%) significant impact on these aspects. This strong consensus among a majority of the workforce underscores their recognition of the crucial role that effective governance practices play in shaping the company's reputation and fostering trust among stakeholders. Conversely, smaller percentages of 9%, 2%, and 0.5% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" impactful, respectively). These results highlight areas where continued emphasis on effective governance strategies can help strengthen organizational integrity and build enduring relationships with stakeholders. A strong governance framework not only enhances transparency and accountability but also contributes to long-term sustainability and resilience against reputational risks. By promoting a culture of integrity and ethical conduct, organizations can support their overall success and growth in the marketplace while maintaining stakeholder trust.

In conclusion, the survey results underscore the importance of continuous education and communication initiatives within organizations to enhance employees' understanding of corporate governance principles, the role of the board of directors, regulatory requirements, and the impact of governance practices on reputation and trust. A well-informed and educated workforce is essential for upholding ethical standards, ensuring compliance with regulatory frameworks, and fostering a culture of transparency and accountability that supports sustainable business practices and stakeholder confidence.

5.1.6 Role of Technology and Multidisciplinary Approaches

Discussion on Employees' Familiarity with Technology Integration in Corporate Processes

The survey results provide valuable insights into employees' familiarity with the integration of technology in optimizing corporate processes and decision-making. A significant majority—89%—indicated they were either "extremely" (52%) or "very" (37%) familiar with this integration. This high level of understanding among a substantial portion of the workforce underscores their awareness of the strategic use of technology to enhance efficiency and effectiveness in business operations and decision-making. Conversely, smaller percentages of 7%, 2.5%, and 1.5% indicated varying degrees of lesser familiarity ("moderately," "slightly," and "not at all" familiar, respectively). While these percentages are relatively low, they highlight areas where ongoing efforts in technological literacy and adaptation within the organization can further enhance employee competencies. The findings underscore the importance of embracing technological advancements to remain competitive and innovative in a rapidly evolving business landscape. A well-informed workforce is crucial for successfully implementing and leveraging technological advancements to drive operational excellence, improve decision-making capabilities, and ultimately achieve strategic goals. By fostering a culture that embraces technological integration, organizations can enhance productivity, streamline processes, and maintain relevance in an increasingly digital-driven economy.

Discussion on Employees' Understanding of Technology Benefits in Corporate Performance and Governance

The survey presents employees' understanding of the potential benefits of leveraging technology such as data analytics or AI to enhance corporate performance and governance. A significant majority—94%—indicated they were either "extremely" (69.5%) or "very" (24.5%) knowledgeable about these benefits. This high level of awareness among a substantial portion of the workforce underscores their understanding of how technologies like data analytics and AI can improve operational efficiency, decision-making capabilities, and governance practices within the company. Conversely, smaller percentages of 4.5% and 1.5% indicated varying degrees of lesser familiarity ("moderately" and "not at all" familiar, respectively). These results emphasize the importance of continuing to promote technological advancements and fostering a culture of innovation within the organization to remain competitive and responsive to market demands. A well-informed workforce is essential for harnessing the full potential of technology to drive organizational growth, enhance governance frameworks, and achieve sustainable business success. By promoting continuous learning and adaptation to technological changes, companies can leverage data-driven insights and AI capabilities to optimize performance, mitigate risks, and deliver greater value to stakeholders.

Discussion on Employees' Knowledge of Technology in Detecting and Preventing Fraud

The survey provides insights into employees' knowledge about the use of technology in detecting and preventing fraud and unethical behavior within the company. A significant majority—94.5%—indicated they were either "extremely" (60%) or "very"

(34.5%) knowledgeable about these technological applications. This strong understanding among a substantial portion of the workforce highlights their awareness of how technology can effectively identify and mitigate fraudulent activities and unethical conduct within the organization. Conversely, smaller percentages of 3.5% and 2% indicated varying degrees of lesser knowledge ("moderately" and "slightly" knowledgeable, respectively). These findings underscore the importance of leveraging technological tools and solutions to bolster the company's defenses against fraudulent activities and unethical behavior. A well-informed workforce is essential for implementing robust fraud prevention strategies, fostering a culture of integrity, and maintaining compliance with ethical standards. By continuously enhancing employees' knowledge and capabilities in using technology for fraud detection and prevention, organizations can strengthen their governance frameworks, safeguard their assets, and uphold trust with stakeholders.

Discussion on Employees' Beliefs in Multidisciplinary Approaches in Corporate Governance

The survey presents employees' beliefs regarding the potential benefits of multidisciplinary approaches involving diverse teams and skill sets in improving corporate governance outcomes. A significant majority—87.5%—indicated they believed these approaches are either "extremely" (56.5%) or "very" (31%) beneficial. This strong consensus among a majority of the workforce underscores their confidence in the positive impact of diverse teams with varied skills and perspectives on governance practices within the company. Conversely, smaller percentages of 10.5%, 1%, and 1% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" beneficial, respectively). These results highlight the importance of fostering collaboration and diversity within teams to drive innovation, decision-making, and accountability in governance processes. By leveraging the collective expertise and insights of diverse teams, organizations can effectively address complex challenges, mitigate risks, and adapt to dynamic market conditions. Efforts to promote multidisciplinary approaches can lead to stronger governance frameworks, improved stakeholder trust, and sustainable business success in the long term.

Discussion on Employees' Confidence in Collaborative Abilities for Governance Challenges

The survey reveals employees' confidence levels in their ability to collaborate effectively with colleagues from different departments or backgrounds to address complex corporate governance challenges. A significant majority—93%—indicated they were either "extremely" (66.5%) or "very" (27%) confident in their collaborative abilities. This strong belief among a substantial portion of the workforce underscores their capacity to work across departments and diverse backgrounds to tackle intricate governance issues effectively. Conversely, smaller percentages of 4%, 1.5%, and 1% indicated varying degrees of lesser confidence ("moderately," "slightly," and "not at all" confident, respectively). These findings underscore the importance of fostering a collaborative culture within the organization, where employees feel empowered to leverage their diverse skills and perspectives to address complex challenges collaboratively. A confident and collaborative workforce is essential for promoting innovation, enhancing decision-making processes, and driving sustainable governance practices. By nurturing an environment that encourages cross-functional collaboration and mutual respect, organizations can strengthen their governance frameworks, improve operational efficiencies, and achieve greater alignment with strategic goals.

5.1.7 Improvement and Recommendations

Discussion on Employees' Perceptions of Communication Channels for Corporate Governance Matters

The survey results provide valuable insights into employees' perceptions regarding communication channels related to corporate governance within the company. A significant majority—96%—indicated they either "strongly agree" (81%) or agree (15%) that there is room for improvement in these communication channels. This widespread consensus among the workforce suggests that existing methods of communication regarding governance could be enhanced to better meet the needs and expectations of employees. Conversely, smaller percentages of 3% and 1% indicated neutral feelings or disagreement ("neutral" and "strongly disagree," respectively), indicating that a minority of employees perceive current communication channels as sufficient or effective. While this minority is small, their feedback presents an opportunity for organizations to further refine and improve communication strategies. These findings underscore the importance of enhancing transparency, clarity, and accessibility in corporate governance communication. By improving communication channels, organizations can foster a culture of openness, trust, and accountability among employees. This, in turn, strengthens governance frameworks and reinforces the company's commitment to ethical practices and stakeholder transparency.

Discussion on Employees' Assessments of Training Programs on Corporate Governance

The survey presents employees' assessments of the current training programs on corporate governance offered by the company. A significant majority—91.5%—rated these programs as either "very effective" (70%) or "effective" (21.5%). This strong perception among a substantial portion of the workforce indicates that the training programs effectively contribute to their understanding and competence in corporate governance matters. Conversely, smaller percentages of 5%, 2.5%, and 1% indicated varying degrees of neutral to negative ratings ("neutral," "ineffective," and "very ineffective," respectively). While these percentages are relatively low, they suggest opportunities for improvement in certain aspects of the training programs to better meet the diverse learning needs of employees. These findings highlight the importance of continued investment in high-quality training initiatives that not only educate employees about governance practices but also empower them to apply this knowledge effectively in their roles. By ensuring that training programs are perceived as effective and valuable by the majority of employees, organizations can strengthen their overall governance culture, enhance compliance with standards, and promote a unified understanding of ethical responsibilities across the workforce.

Discussion on Employees' Beliefs in Enhancing Awareness of Corporate Governance Principles

The survey provides insights into employees' beliefs regarding the potential benefits of enhancing awareness and understanding of corporate governance principles within the company. A significant majority—86.5%—expressed the belief that such enhancements would be either "extremely" (60%) or "very" (26.5%) beneficial for the company. This strong consensus among a substantial portion of the workforce underscores the perceived positive impact of improving governance education on various aspects of organizational performance. Conversely, smaller percentages of 8%, 3%, and 2.5% indicated varying degrees of lesser belief ("moderately," "slightly," and "not at all" beneficial, respectively). These responses indicate that while the majority supports enhanced governance education, there are some employees who may have reservations or perceive less immediate benefits. These findings underscore the critical role perceived by employees for governance education in fostering a culture of transparency, accountability, and ethical conduct within the organization. By investing in initiatives that promote greater awareness of governance principles, companies can strengthen their governance frameworks, mitigate risks, and enhance stakeholder trust and confidence. Ultimately, a well-informed workforce is crucial for aligning organizational practices with ethical standards and regulatory requirements, thereby supporting sustainable business growth and success.

Discussion on Employees' Satisfaction with Reporting Mechanisms for Ethical Concerns

The survey reflects employees' satisfaction levels with the mechanisms in place for reporting unethical behavior or violations of corporate governance standards within the company. A significant majority—91%—indicated they were either "very satisfied" (60%) or "satisfied" (31%) with these reporting mechanisms. This strong endorsement from a substantial portion of the workforce regarding the effectiveness and accessibility of the reporting channels suggests a high level of confidence in the company's processes for addressing misconduct or breaches. Conversely, smaller percentages of 7.5%, 1.5%, and 1% indicated varying degrees of neutral to negative satisfaction ("neutral," "dissatisfied," and "very dissatisfied," respectively). While these percentages are minimal, they indicate areas where organizations can continue to refine and improve reporting mechanisms to maintain high levels of employee satisfaction and trust. These findings underscore the importance of maintaining robust and responsive mechanisms for reporting ethical concerns within the organization. By ensuring high satisfaction levels among employees regarding these mechanisms, companies can promote a culture of integrity, accountability, and compliance with governance standards. Effective reporting channels not only facilitate the identification and resolution of issues but also contribute to maintaining trust among employees and stakeholders in the company's commitment to ethical behavior and responsible corporate governance.

Discussion on Employees' Willingness to Provide Feedback on Corporate Governance Practices

The survey presents employees' willingness to provide feedback or suggestions for improving corporate governance practices within the company. A significant majority—91.5%—indicated they were either "very likely" (60%) or "likely" (31%) to provide such feedback. This strong commitment from a substantial portion of the workforce to actively engage in enhancing governance practices within the organization suggests a proactive approach towards continuous improvement. Conversely, smaller percentages of 5.5%, 2.5%, and 1% indicated varying degrees of neutral to low likelihood ("neutral," "unlikely," and "very unlikely," respectively). These responses indicate that while the majority of employees are willing to provide feedback, there are some who may feel less inclined or perceive fewer opportunities to contribute to governance matters. These findings underscore the importance of fostering an open and collaborative environment where employees feel empowered to share their insights and ideas for strengthening governance frameworks. By encouraging and acting upon feedback from employees, organizations can enhance transparency, responsiveness, and effectiveness in governance practices. This proactive approach not only cultivates a culture of continuous improvement but also reinforces employee engagement and commitment to upholding high standards of corporate governance.

5.1.8 Reliability Analysis

The reliability analysis using Cronbach's Alpha is a crucial step in assessing the internal consistency of survey items designed to measure various aspects of corporate governance and fraud awareness among employees. This discussion synthesizes the findings across different dimensions explored in the study, highlighting the implications for research and practical applications within organizational contexts.

Corporate Governance Awareness

The Cronbach's Alpha coefficient of 0.719 for the awareness about corporate governance items indicates a commendable level of internal consistency among the survey items. This score suggests that the items effectively measure a cohesive construct related to employees' awareness of corporate governance principles within the organization. While higher values would indicate stronger internal consistency, 0.719 is considered acceptable, underscoring the reliability of the survey instrument in capturing employees' understanding and knowledge of governance practices. This finding is significant as it validates the survey's utility in gauging perceptions and insights regarding governance practices, thereby providing a solid basis for interpreting and acting upon the survey results. Organizations can rely on these findings to inform strategies aimed at enhancing governance frameworks and fostering a culture of integrity and compliance.

Types and Causes of Corporate Frauds

The Cronbach's Alpha coefficient of 0.790 for the types and causes of corporate frauds demonstrates a strong level of internal consistency among the survey items. This score indicates that the items collectively measure a cohesive construct related to employees' understanding of different types and underlying causes of fraud within organizational settings. Such reliability is robust for both research and practical purposes, emphasizing the effectiveness of the survey in capturing nuanced perceptions about fraudulent activities like financial misstatements and asset misappropriation. The consistent responses across these items suggest a coherent understanding among respondents about the complexities of corporate fraud, enhancing the credibility and validity of the survey results. Organizations can leverage these insights to implement targeted interventions for fraud detection and prevention, thereby safeguarding their reputation and financial stability.

Advanced Dimensions of Corporate Frauds

The Cronbach's Alpha coefficient of 0.722 for the advanced dimensions of corporate frauds indicates a robust level of internal consistency among the survey items. This score suggests that the items effectively measure a cohesive construct regarding sophisticated fraud scenarios that may challenge traditional detection measures. While higher values of Cronbach's Alpha are ideal, 0.722 remains satisfactory for research and practical applications, highlighting the reliability of the survey in exploring advanced fraud dimensions. This finding underscores the survey instrument's credibility in providing meaningful insights into complex fraud scenarios within organizational contexts, thereby guiding proactive measures to mitigate advanced corporate fraud risks effectively.

Corporate Governance Measures

The Cronbach's Alpha coefficient of 0.704 for corporate governance measures reflects a solid level of internal consistency among the survey items. This score indicates that the items collectively measure a cohesive construct related to corporate governance practices such as transparency, accountability, and stakeholder engagement. Despite not reaching higher levels of internal consistency, 0.704 is considered acceptable, emphasizing the survey's reliability in evaluating governance effectiveness and identifying areas for improvement. Organizational stakeholders can rely on these findings to gain a nuanced understanding of governance strengths and weaknesses, facilitating informed decisions and strategic initiatives aimed at enhancing overall governance frameworks and organizational performance.

Technology and Multidisciplinary Approaches

The Cronbach's Alpha coefficient of 0.704 for technology and multidisciplinary approaches indicates a commendable level of internal consistency among the survey items. This score suggests that the items collectively measure a cohesive construct related to the impact and effectiveness of technology-driven solutions and diverse skill sets in addressing organizational challenges. While higher levels of internal consistency are desirable, 0.704 is acceptable for research and practical applications, highlighting the survey's reliability in exploring innovative strategies to enhance operational efficiency and organizational resilience. Stakeholders can trust these findings to inform strategic decisions and investments aimed at leveraging technology and diverse expertise to achieve sustainable business outcomes and competitive advantage.

Improvement and Recommendations

The Cronbach's Alpha coefficient of 0.790 for improvement and recommendations indicates a high level of internal consistency among the survey items. This score suggests that the items effectively measure a cohesive construct concerning proposed enhancements in governance practices, aimed at strengthening frameworks and enhancing organizational performance. This robust level of reliability underscores the survey's validity in capturing employees' perspectives and insights regarding governance improvements, thereby guiding strategic initiatives and policy decisions to foster a culture of transparency and ethical conduct.

In conclusion, the Cronbach's Alpha coefficients obtained across various dimensions of corporate governance and fraud awareness indicate strong to commendable levels of internal consistency among the survey items. These findings underscore the reliability and validity of the survey instrument in capturing employees' perceptions and insights, thereby providing meaningful data to inform strategic decisions and interventions within organizational contexts. By leveraging these insights, organizations can enhance governance frameworks, mitigate fraud risks, and foster a culture of integrity and compliance, ultimately contributing to long-term organizational success and stakeholder trust.

5.1.9 Regression Analysis

Discussion of Results

The regression analysis conducted to examine the relationship between corporate governance and corporate frauds provides valuable insights into the impact of governance practices on organizational integrity and risk management. Here, we discuss the key findings derived from the analysis.

Relationship Between Corporate Governance and Corporate Frauds

The results indicate a moderate positive relationship between corporate governance and corporate frauds, with a correlation coefficient (R) of 0.634. This suggests that as corporate governance practices improve, there tends to be an associated increase in reported instances of corporate frauds. However, it's important to interpret this relationship cautiously, considering that the directionality might imply that enhanced governance is uncovering or addressing existing frauds rather than causing them.

Variance Explanation and Model Fit

The model summary reveals that 40.2% of the variance in corporate frauds can be explained by variations in corporate governance practices. This is indicated by the R Square value of 0.402, highlighting that a substantial proportion of the variability in corporate fraud occurrences can be attributed to the quality and effectiveness of governance mechanisms in place.

Statistical Significance

The ANOVA table confirms that the regression model is statistically significant, with an F-value of 132.921 and a p-value of 0.000. This indicates that the model as a whole fit the data significantly better than a model with no predictors, suggesting that corporate governance does indeed contribute significantly to explaining the occurrence of corporate frauds within the studied context.

Coefficients Analysis

The coefficients table further supports these findings, showing that corporate governance has a significant positive impact on corporate frauds. The unstandardized coefficient (B) of 0.515 with a t-value of 11.529 (significant at the 0.000 level) indicates that for every unit increase in the quality or strength of corporate governance practices, there is a corresponding increase in the reported occurrences of corporate frauds.

Testing Hypothesis

Based on the regression analysis conducted to assess the impact of corporate governance on corporate frauds, the findings decisively reject the null hypothesis (H0) and support the alternative hypothesis (H1). The analysis reveals a meaningful relationship between corporate governance practices and the occurrence of corporate frauds, characterized by a moderate positive correlation coefficient (R = 0.634). This indicates that as organizations strengthen their governance frameworks, there is typically an increase in reported instances of fraud. However, it's crucial to interpret this relationship with nuance: the observed increase in frauds is likely due to improved detection and reporting mechanisms rather than an actual rise in fraudulent activities.

Moreover, the model's explanatory power is substantial, with 40.2% of the variability in corporate fraud occurrences explained by variations in corporate governance practices (R Square = 0.402). This highlights the significant influence that governance quality has on managing fraud risks within organizations. Statistical tests further reinforce these conclusions, with the regression model proving highly significant (F = 132.921, p = 0.000), indicating that corporate governance significantly contributes to explaining the occurrence of frauds.

The coefficients analysis supports these findings by demonstrating a significant positive impact of corporate governance on fraud occurrences, with a strong unstandardized coefficient (B = 0.515) and corresponding high t-value (11.529). This implies that improvements in governance practices are associated with a proportional increase in reported frauds, underscoring the effectiveness of governance frameworks in detecting and addressing fraudulent activities. Overall, these results emphasize the critical role of robust governance mechanisms in promoting transparency, accountability, and risk management within organizations.

5.2 Discussion of Research Question One

The research question explores the role of ethical standards and governance policies set by boards of directors and senior management in understanding the prevalence of corporate fraud within Indian companies. The discussion, informed by empirical findings, reveals significant insights into how these governance factors influence organizational integrity and risk management. The analysis begins with a consideration of internal consistency measures, such as Cronbach's Alpha coefficients, across various dimensions related to corporate governance and fraud awareness. For instance, scores of 0.704 for technology and multidisciplinary approaches and 0.790 for improvement and recommendations indicate robust reliability in capturing employees' perspectives on governance enhancements and the impact of technological solutions. These findings underscore the instrument's validity in assessing perceptions critical to informing strategic decisions aimed at operational efficiency, resilience, and governance effectiveness. Moving to regression analysis, which examines the relationship between corporate governance and corporate frauds, results reveal a moderate positive correlation ($R = 0.634$). This suggests that stronger governance practices tend to coincide with higher reported instances of fraud, albeit with caution in interpreting causality—improved governance might lead to better detection rather than increased fraud occurrence itself. The model explains 40.2% of variance in fraud occurrences (R Square = 0.402), indicating that governance mechanisms significantly contribute to understanding and potentially mitigating fraud risks within the organizational context. Statistical significance further supports these findings, with the regression model demonstrating a high F-value (132.921) and a significant p-value (0.000). Coefficients analysis affirms the positive impact of corporate governance on frauds, with an unstandardized coefficient (B) of 0.515 and a t-value of 11.529 (both significant at the 0.000 level). This suggests that improvements in governance practices are associated with an increase in reported fraud incidents, likely due to enhanced oversight and detection capabilities rather than governance practices directly causing fraud.

In conclusion, these findings emphasize the critical role of governance frameworks and ethical standards in shaping organizational conduct and risk management strategies. They highlight the need for continuous improvement in governance practices to effectively address fraud risks, foster transparency, and uphold ethical standards within Indian companies. Future research could explore specific governance mechanisms, cultural influences, and regulatory dynamics that further influence fraud prevalence, offering deeper insights into effective governance strategies tailored to mitigate fraud risks and promote sustainable business practices.

5.3 Discussion of Research Question Two

The research question concerning the role of boards of directors' and senior management's ethical standards and governance policies in mitigating corporate fraud in Indian companies prompts an exploration of concrete steps based on empirical findings. The Cronbach's Alpha coefficients, notably 0.704 for technology and multidisciplinary approaches and 0.790 for improvement and recommendations, affirm the survey's internal consistency and reliability in assessing perceptions related to technology-driven solutions and governance enhancements. These scores validate the survey's utility in informing strategic decisions aimed at bolstering operational efficiency and organizational resilience, crucial for addressing fraud risks effectively. The regression analysis further illuminates a moderate positive relationship ($R = 0.634$) between corporate governance and reported fraud instances, indicating that stronger governance frameworks correlate with increased detection or reporting of fraud. This statistical significance (ANOVA F-value = 132.921, p-value = 0.000) underscores governance's pivotal role in influencing fraud occurrences within organizational contexts. The model's ability to explain 40.2% of variance in fraud occurrences (R Square = 0.402) highlights the substantial impact of governance practices on mitigating fraud risks. Strategically, boards of directors and senior management can implement several key steps to foster an environment of honesty and responsibility. Enhancing governance structures involves bolstering transparency, accountability, and oversight mechanisms. This includes ensuring board independence, diversity, and expertise to effectively monitor management decisions and mitigate fraud risks. Promoting an ethical culture through leadership example, comprehensive ethics training, and robust communication of organizational values is essential to instilling integrity across all levels of the organization. Leveraging technology-driven solutions, as indicated by the survey, enables organizations to enhance fraud detection capabilities through advanced analytics, cybersecurity measures, and proactive monitoring systems. Continuous improvement and adaptation of governance practices are crucial for maintaining resilience against evolving fraud threats and regulatory landscapes. Soliciting stakeholder feedback, including employees, to identify areas for enhancement and implementing responsive governance reforms is essential. These strategic steps not only align with empirical insights into effective governance practices but also contribute to long-term organizational success by safeguarding reputation, financial stability, and stakeholder trust.

In conclusion, by embracing these strategic initiatives informed by empirical research, boards of directors and senior management can proactively mitigate fraud risks, foster a culture of integrity, and position their organizations for sustainable growth and resilience in the face of dynamic business challenges. Future research could further delve into specific governance mechanisms and cultural dynamics that optimize fraud prevention strategies, providing additional insights for organizational decision-making and policy development in combating corporate fraud effectively.

5.4 Discussion of Research Question Three

The research question examining fraud risk assessments in Indian organizations and their methodologies and frameworks sheds light on critical strategies for preventing and mitigating corporate fraud. The discussion draws from empirical findings that underscore the reliability and validity of survey instruments used to assess governance practices and fraud awareness within these contexts. The Cronbach's Alpha coefficients, notably 0.704 for technology and multidisciplinary approaches and 0.790 for improvement and recommendations, demonstrate strong internal consistency among survey items. These scores affirm the survey's robustness in evaluating the impact of technology-driven solutions and proposed governance enhancements on operational efficiency and organizational resilience. Such reliability provides stakeholders with credible insights to inform strategic decisions and investments aimed at leveraging technology and enhancing governance frameworks to achieve sustainable business outcomes. Moreover, the regression analysis examining the relationship between corporate governance and corporate frauds reveals a moderate positive correlation ($R = 0.634$). This indicates that stronger governance practices often coincide with increased reported instances of fraud, highlighting the role of effective governance in detecting and addressing fraudulent activities within organizations. The model's ability to explain 40.2% of variance in fraud occurrences (R Square = 0.402) underscores the significant influence of governance mechanisms in managing fraud risks effectively. Statistical significance further validates these findings, with an ANOVA F-value of 132.921 and a p-value of 0.000, indicating that governance significantly contributes to explaining the occurrence of frauds. Coefficients analysis supports this, showing a significant positive impact of corporate governance on frauds ($B = 0.515$, t-value = 11.529), implying that improvements in governance practices tend to uncover or address existing frauds rather than causing them. In the context of fraud risk assessments, methodologies and frameworks employed by organizations play a pivotal role in enhancing fraud prevention strategies. These approaches encompass comprehensive risk identification, assessment, and mitigation measures tailored to organizational contexts and regulatory environments. By integrating robust governance frameworks with systematic risk assessments, organizations can proactively identify vulnerabilities, strengthen internal controls, and implement preventive measures that align with industry best practices and regulatory requirements.

In conclusion, leveraging empirical insights into governance practices and fraud awareness allows organizations to develop informed strategies that mitigate fraud risks effectively. By adopting reliable assessment methodologies and frameworks, Indian organizations can bolster their defenses against fraud, foster a culture of integrity, and sustain long-term organizational success and stakeholder trust amidst evolving business challenges and regulatory landscapes. Future research could delve deeper into specific fraud detection technologies and adaptive governance strategies that further optimize fraud prevention efforts in diverse organizational settings.

5.5 Discussion of Research Question four

The research question focusing on the role of audit committees in combating fraud explores their primary functions and their alignment with statutory mandates and global best practices, informed by robust empirical insights. The Cronbach's Alpha coefficients, particularly 0.704 for technology and multidisciplinary approaches and 0.790 for improvement and recommendations, attest to the survey's reliability in assessing governance practices and fraud awareness across organizational dimensions. These scores affirm the survey's credibility in identifying innovative strategies that enhance operational efficiency and bolster organizational resilience, thereby guiding stakeholders in strategic decision-making and investments aimed at leveraging technology and diverse expertise for sustainable business outcomes. The regression analysis investigating the relationship between corporate governance and fraud underscores significant findings. A moderate positive correlation ($R = 0.634$) indicates that stronger governance practices often coincide with higher reported instances of fraud, potentially reflecting improved detection rather than increased occurrences. The model's explanatory power (R Square = 0.402) highlights governance's substantial impact in explaining variance in fraud occurrences, supported by statistical significance (ANOVA F-value = 132.921, p-value = 0.000) and coefficients analysis showing a significant positive effect ($B = 0.515$, t-value = 11.529). In combating fraud, audit committees primarily perform critical functions such as overseeing financial reporting integrity, internal control effectiveness, and risk management frameworks. These duties are intricately linked to statutory mandates that mandate audit committee oversight in ensuring transparency, compliance with regulatory requirements, and safeguarding shareholder interests. Moreover, aligning with global best practices, audit committees adhere to principles promoting independence, expertise, and diligence in monitoring financial disclosures and internal controls. By implementing rigorous audit processes, conducting thorough risk assessments, and fostering a culture of ethical conduct, audit committees play a pivotal role in mitigating fraud risks and enhancing organizational governance. Furthermore, audit committees utilize comprehensive methodologies and frameworks tailored to organizational contexts, encompassing robust risk assessment protocols, internal audit functions, and external audits. These approaches not only strengthen internal controls but also align with global benchmarks that emphasize proactive fraud prevention strategies. By integrating these practices, audit committees can effectively safeguard organizational assets, bolster stakeholder trust, and uphold regulatory compliance amidst evolving business environments.

In conclusion, informed by empirical evidence, effective audit committees are instrumental in combating fraud through diligent oversight, adherence to statutory obligations, and alignment with global best practices. By leveraging reliable assessments of governance practices and fraud awareness, organizations can optimize audit committee functions to mitigate risks, foster transparency, and ensure sustainable organizational success built on integrity and accountability. Future research could further explore emerging trends in audit methodologies and their impact on fraud prevention strategies, offering additional insights for enhancing governance frameworks and organizational resilience.

5.6 Conclusion

Based on the comprehensive study of audit committees' roles in combating fraud within organizations, several key conclusions emerge from the analysis. The research underscores the critical functions of audit committees in overseeing financial integrity, internal controls, and risk management frameworks, which are essential for mitigating fraud risks and ensuring transparency and accountability in organizational operations. These roles align closely with statutory mandates and global best practices, highlighting the importance of audit committees in adhering to regulatory standards and promoting effective governance practices that safeguard organizational assets and enhance stakeholder trust. Moreover, the study emphasizes the adoption of technology-driven solutions and multidisciplinary approaches by audit committees to enhance operational efficiency and organizational resilience against fraud. The findings indicate a significant positive relationship between robust corporate governance practices and reported instances of fraud, suggesting that effective governance contributes to better detection and management of fraudulent activities rather than increasing their occurrence. Overall, the research underscores the proactive role of audit committees in fraud prevention through rigorous audit processes, comprehensive risk assessments, and the cultivation of an ethical organizational culture. By implementing these strategies, organizations can strengthen their defenses against fraud, uphold integrity, and foster sustainable business practices that resonate with stakeholders. Moving forward, integrating these insights into practice will be crucial for organizations aiming to enhance their governance frameworks, mitigate fraud risks, and maintain long-term organizational success and stakeholder confidence in a dynamic and challenging business landscape

CHAPTER –VI

SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS

6.1 Summary

In conclusion, demographic analysis within this study on serious frauds in corporate governance provides significant insights into how age, gender, professional experience, and job profiles shape perceptions and strategies related to fraud prevention and management. The findings reveal a notable concentration of older professionals with extensive experience in senior roles, highlighting their crucial influence on governance practices and fraud dynamics. However, there is a clear underrepresentation of younger professionals and females, suggesting a need to broaden participant diversity for a more comprehensive understanding of fraud across generational and gender divides. Moving forward, efforts to include a broader range of demographics in research endeavors will be essential. This approach not only enhances the depth and diversity of perspectives but also fosters more inclusive governance strategies capable of addressing fraud risks effectively at all stages of professional development. By bridging these demographic gaps, future studies can better inform policies and practices aimed at mitigating fraud in corporate environments, ultimately promoting more resilient and equitable governance frameworks. In conclusion, the survey results provide a comprehensive overview of employee perceptions regarding corporate governance within the company. Overall, there is a strong indication that employees feel well-informed and positively engaged with governance policies and practices. A significant majority express high levels of awareness and confidence in the clarity and effectiveness of communication regarding governance principles. Moreover, there is robust confidence in the promotion of transparency, accountability, and ethical standards, which are perceived as integral to organizational operations and decision-making processes.

While most respondents endorse the company's governance frameworks, the survey also highlights areas for potential improvement. A small but notable percentage of respondents indicate neutral or less positive views, particularly regarding awareness levels and the influence of governance on decision-making. Addressing these insights can further enhance governance effectiveness, ensuring alignment with employee expectations and industry best practices. Overall, the survey underscores the company's commitment to fostering a culture of compliance, transparency, and ethical conduct through robust governance practices. Continuous efforts to refine communication strategies and strengthen governance frameworks will be essential in maintaining and enhancing these positive perceptions among employees, thereby supporting long-term organizational integrity and success. In conclusion, the survey findings offer a comprehensive view of employees' perspectives on corporate fraud risks, awareness, and preventive measures within the organization. The results indicate a high level of awareness among employees regarding various types of corporate fraud, with a significant majority expressing confidence in their ability to identify warning signs. Moreover, there is strong agreement on the severe consequences of fraud and the critical role of robust internal controls in prevention.

In order to reduce the likelihood of fraud, employees believe that senior leadership must act ethically. This emphasises the need to promote a culture of honesty and responsibility in the company. While the majority of respondents endorse current awareness and preventive efforts, the survey also identifies areas for potential improvement, such as enhancing awareness among a small minority who feel less informed or confident. Continued education, reinforcement of awareness, and support for ethical leadership are recommended to further strengthen the organization's defenses against fraud. By maintaining vigilance and reinforcing internal controls and ethical standards, the company can effectively safeguard its operations, reputation, and stakeholder trust against the impacts of corporate fraud. These findings lay the groundwork for future endeavours to strengthen fraud prevention measures and promote an ethical and open work environment at all levels of the company. The results of the poll shed light on the extent to which the organization's personnel are cognizant of and able to comprehend the more complex aspects of corporate fraud. A significant majority of respondents demonstrate a strong familiarity with complex financial statement fraud techniques, such as earnings management and improper revenue recognition, highlighting their capability to recognize and mitigate potentially fraudulent activities. This level of awareness underscores the effectiveness of current educational efforts in equipping employees with essential knowledge to uphold financial integrity and regulatory compliance.

Moreover, employees exhibit a robust understanding of insider trading, bribery, corruption, and cybersecurity threats, essential ethical and legal concerns in corporate environments. Their high levels of familiarity emphasize a proactive approach towards identifying and addressing these risks, crucial for maintaining organizational integrity and fostering a culture of transparency and ethical conduct. While the survey indicates a predominantly positive outlook on employees' awareness and knowledge, there are opportunities for further improvement. Addressing the minority who indicated lesser familiarity with these topics through targeted training and educational programs can strengthen the organization's overall resilience against fraudulent activities.

Continued investment in education, reinforcement of ethical standards, and enhancement of internal controls will be essential in sustaining a vigilant and proactive corporate culture. By empowering employees with comprehensive knowledge and skills, organizations can effectively mitigate fraud risks, uphold regulatory compliance, and safeguard their reputation and financial stability in today's dynamic business environment. In conclusion, the survey findings provide valuable insights into employees' familiarity with key principles of corporate governance, highlighting a strong understanding among most respondents regarding transparency, accountability, and fairness. This high level of awareness underscores the organization's success in educating its workforce on fundamental governance concepts essential for maintaining ethical standards and fostering stakeholder trust.

Moreover, employees demonstrate a solid grasp of the board of directors' pivotal role in overseeing corporate governance practices, with a significant majority acknowledging the board's responsibilities in strategic decision-making, risk management, and regulatory compliance. While these findings indicate robust knowledge among most respondents, opportunities exist to further enhance understanding, particularly among those expressing lesser familiarity. The survey also reveals a substantial awareness of regulatory requirements and standards governing corporate governance within the industry, underscoring employees' recognition of the importance of compliance in mitigating legal risks and upholding organizational integrity. Ongoing education initiatives are crucial to ensuring alignment with evolving regulatory landscapes and industry norms. Furthermore, employees overwhelmingly perceive the significant impact of effective corporate governance practices on the company's reputation and stakeholder trust. This consensus highlights the role of governance frameworks in enhancing transparency, accountability, and long-term sustainability, thereby fostering positive relationships with stakeholders and bolstering organizational resilience.

In summary, continuous education and communication efforts are essential for reinforcing employees' understanding of corporate governance principles, the board's oversight role, regulatory compliance, and the broader impacts of governance practices. By cultivating a well-informed and knowledgeable workforce, organizations can strengthen their governance frameworks, uphold ethical standards, and inspire confidence among stakeholders, thereby supporting sustainable business success and growth in competitive markets.

In conclusion, the survey results provide compelling insights into employees' familiarity with technology integration in corporate processes and decision-making, highlighting a high level of awareness among most respondents. This indicates the organization's success in fostering a workforce knowledgeable about leveraging technology to enhance efficiency, effectiveness, and innovation in business operations. Moreover, employees demonstrate a robust understanding of the benefits of technology, such as data analytics and AI, in optimizing corporate performance and governance. This awareness underscores their readiness to harness technological advancements to improve decision-making, operational efficiency, and overall governance practices within the company. Furthermore, the survey reveals a strong knowledge base among employees regarding technology's role in detecting and preventing fraud and unethical behavior. This underscores their awareness of using technological tools to bolster the organization's defenses and maintain integrity, thereby fostering a culture of compliance and ethical conduct. Additionally, employees overwhelmingly support the adoption of multidisciplinary approaches in corporate governance, recognizing the significant benefits of diverse teams in enhancing decision-making, innovation, and accountability. This consensus reflects their confidence in leveraging diverse perspectives and skills to address complex governance challenges effectively. Lastly, employees express high levels of confidence in their collaborative abilities across different departments and backgrounds, underscoring their readiness to work together to tackle intricate governance issues. This collaborative spirit is essential for promoting innovation, improving decision-making processes, and driving sustainable governance practices within the organization. In summary, the findings emphasize the critical role of continuous education and promotion of technological literacy, multidisciplinary collaboration, and ethical awareness in strengthening corporate governance frameworks. Organisations can improve their ability to withstand and adapt to today's fast-paced business climate by fostering a culture that values diversity, collaboration, and technological innovation.

In conclusion, the survey findings underscore several key areas for improvement and recommendations to strengthen corporate governance practices within the organization.

Firstly, regarding communication channels related to corporate governance matters, the overwhelming consensus among employees—96%—indicates a strong belief that these channels can be improved. This highlights the importance of enhancing transparency, clarity, and accessibility in communication to foster openness, trust, and accountability throughout the organization. Secondly, employees overwhelmingly perceive the current training programs on corporate governance as effective, with 91.5% rating them positively. While this reflects well on the existing initiatives, feedback suggesting areas for improvement (albeit from a minority) underscores the need to continuously evolve these programs to meet diverse learning needs and ensure they remain aligned with evolving governance standards. Thirdly, there is a widespread belief among employees—86.5%—in the significant benefits of enhancing awareness and understanding of corporate governance principles within the company. This indicates strong support for initiatives aimed at educating employees about ethical responsibilities and regulatory compliance, thereby fostering a culture of integrity and ethical conduct across all levels of the organization. Fourthly, employees express high satisfaction levels—91%—with the mechanisms in place for reporting unethical behavior or governance violations. However, feedback indicating room for improvement highlights the ongoing need to refine these mechanisms to maintain high levels of employee trust and satisfaction, ensuring they remain effective and responsive to concerns. Finally, the survey reveals a strong willingness among employees—91.5%—to provide feedback or suggestions for improving corporate governance practices. The significance of encouraging employees to actively participate in governance matters, establishing a culture of accountability and cooperation, and encouraging continual improvement is highlighted by this proactive participation.

In summary, by addressing these areas for improvement—enhancing communication channels, evolving training programs, promoting awareness of governance principles, refining reporting mechanisms, and encouraging employee feedback—organizations can strengthen their governance frameworks. This not only enhances compliance with ethical standards and regulatory requirements but also fosters a culture of transparency, integrity, and responsible corporate citizenship, ultimately contributing to sustainable business success and stakeholder trust.

Statistical Analysis

In conclusion, the reliability analysis using Cronbach's Alpha across different dimensions of corporate governance and fraud awareness provides robust insights into the internal consistency of survey items designed to measure these critical aspects among employees. Firstly, the analysis reveals a commendable level of internal consistency (Cronbach's Alpha = 0.719) for items related to corporate governance awareness. This indicates that the survey effectively captures employees' understanding of governance principles, offering a reliable basis for interpreting and acting upon the survey results to enhance governance frameworks and promote ethical practices. Secondly, for types and causes of corporate frauds, the strong internal consistency (Cronbach's Alpha = 0.790) among survey items underscores employees' coherent understanding of various fraud types and their underlying factors. This reliability supports targeted interventions for fraud detection and prevention, safeguarding organizational reputation and financial stability. Thirdly, regarding advanced dimensions of corporate frauds, the analysis shows a robust internal consistency (Cronbach's Alpha = 0.722). This reliability enables the survey to explore complex fraud scenarios effectively, guiding proactive measures to mitigate advanced fraud risks within organizational contexts. Fourthly, the analysis of corporate governance measures reveals a solid internal consistency (Cronbach's Alpha = 0.704). Despite not reaching higher levels, this reliability supports evaluations of governance effectiveness and informs strategic initiatives to strengthen transparency, accountability, and stakeholder engagement. Lastly, for technology and multidisciplinary approaches, the analysis indicates a commendable internal consistency (Cronbach's Alpha = 0.704). This reliability enables the survey to assess the impact of technology-driven solutions and diverse skill sets on organizational challenges, informing decisions to enhance operational efficiency and resilience. Overall, the high internal consistency (Cronbach's Alpha = 0.790) observed in the improvement and recommendations dimension underscores the validity of survey items in capturing employees' perspectives on governance enhancements. This reliability guides strategic initiatives and policy decisions aimed at fostering a culture of transparency and ethical conduct within the organization. In conclusion, these findings affirm the reliability and validity of the survey instrument in capturing employees' perceptions and insights regarding corporate governance and fraud awareness. Organizations can leverage these insights to enhance governance frameworks, mitigate fraud risks, and cultivate a culture of integrity and compliance, ultimately contributing to sustainable organizational success and stakeholder trust.

Based on the regression analysis conducted, several key findings emerge regarding the relationship between corporate governance and corporate fraud within the studied context. Firstly, the analysis reveals a moderate positive relationship between corporate governance and corporate frauds, with a correlation coefficient (R) of 0.634. This indicates that as corporate governance practices improve, there tends to be an associated increase in reported corporate frauds. Secondly, the model summary highlights that 40.2% of the variance in corporate frauds can be explained by corporate governance, as evidenced by the R Square value of 0.402. This suggests that corporate governance practices play a significant role in influencing the occurrence of corporate frauds within organizations. The third point is that the regression model is statistically significant, as shown in the ANOVA table, where the F-value is 132.921 and the p-value is 0.000. This shows that the overall model is useful and accounts for a large amount of the variation in corporate frauds. Moreover, the coefficients table provides further support by showing that corporate governance has a significant positive impact on corporate frauds. The unstandardized coefficient (B) of 0.515 and the corresponding t-value of 11.529 (both significant at the 0.000 level) indicate that improvements in corporate governance are associated with an increase in reported corporate frauds. Finally, we can conclude that corporate governance does, in fact, significantly affect corporate frauds by rejecting the null hypothesis (H0) and accepting the alternative hypothesis (H1). The positive coefficient suggests that as organizations enhance their governance practices, there is a noticeable reduction in corporate frauds. This underscores the critical importance of robust governance frameworks in mitigating fraudulent activities and maintaining organizational integrity. Future research and practical applications should focus on implementing effective governance strategies to minimize fraud risks and uphold ethical standards within organizations.

6.2 Managerial Implications

Considering the robust findings that were obtained from both the reliability analysis and the regression investigation, several significant implications for the management of fraud and organisational governance have become apparent. Firstly, the dependability of survey items in capturing employees' comprehension of governance concepts is highlighted by the high level of internal consistency that was seen across variables such as corporate governance awareness (Cronbach's Alpha = 0.719). The presence of this shows that there is a strong foundation upon which organisations can build in order to improve their ethical practices, accountability, and transparency." Among the practical applications are communication strategies and training programmes that are specifically designed to improve governance literacy across all levels of an organisation. This helps to cultivate a culture that places a high priority on compliance and integrity throughout the organisation.

Secondly, the high degree of internal consistency that exists about the employees' comprehension of the many types and causes of corporate frauds (Cronbach's Alpha = 0.790) indicates that the organisation has a complete grasp of the dangers associated with fraud across the board. It is essential for minimising risks and maintaining the organization's reputation and financial health that fraud detection and prevention measures are effective, and this reliability provides support for those initiatives. These insights can be utilised by organisations to establish effective fraud prevention systems and guarantee that continuing education is provided on emerging fraud schemes and preventive techniques.

These findings, in conclusion, offer organisations with a clear direction to prioritise governance education, increase fraud prevention measures, and continuously modify governance procedures according to the findings. The ability of organisations to strengthen their resilience against fraud risks, establish a culture of integrity, and maintain stakeholder trust and confidence in their operations and leadership can be achieved using these measures. Research and practical applications in the future should concentrate on refining these techniques so that they can adapt to the ever-changing problems of governance and the rising fraud threats that are present in today's complicated business environment.

6.3 Recommendations for Future Research

Based on the findings and implications drawn from the reliability analysis and regression study concerning corporate governance and fraud management, several recommendations for future research can be proposed:

1. Conduct Longitudinal Studies: Future research should prioritize longitudinal studies to investigate the sustained impact of enhanced governance practices on fraud mitigation over extended periods. Research investigating the efficacy and longevity of governance reforms can be aided by monitoring changes in governance and linking them to trends in fraud. Longitudinal studies will also capture how organizational contexts, external factors, and evolving regulatory landscapes influence the relationship between governance practices and fraud outcomes.

2. Comparative Cross-Industry Studies: Researchers should undertake comparative studies across different industries to identify sector-specific challenges and best practices in governance and fraud prevention. This approach will help organizations tailor governance strategies according to industry-specific dynamics and enhance overall fraud resilience. By examining how governance frameworks vary across industries and their impact on fraud risk management, researchers can contribute to industry-specific guidelines and benchmarks for effective governance and fraud prevention strategies.

3. Qualitative Investigations: Future studies should incorporate qualitative methodologies such as interviews, focus groups, and case studies to deepen understanding of the mechanisms linking governance practices with fraud occurrences. Qualitative insights will elucidate organizational contexts, stakeholder perceptions, and decision-making processes influencing governance effectiveness and fraud management. Researchers can explore nuanced aspects such as organizational culture, leadership behaviors, and employee attitudes towards governance and fraud prevention measures, providing rich data for developing targeted interventions and enhancing organizational resilience against fraud.

4. Technological Innovations in Governance: New researches can find out how new tech like blockchain, artificial intelligence, and machine learning can improve governance and reduce fraud. Research should focus on technology adoption rates, impact on fraud detection capabilities, organizational readiness for technological integration, and barriers to implementation. By exploring how technological innovations can automate compliance monitoring, enhance data analytics for fraud detection, and improve transparency in governance processes, researchers can provide practical insights for organizations aiming to leverage technology to strengthen governance frameworks.

5. Employee Perception Studies: Conduct studies to explore employee attitudes towards governance practices and fraud management initiatives. Understanding employee perceptions, motivations, and behavioral responses to governance policies will inform strategies to foster ethical behavior, enhance organizational culture, and encourage proactive reporting of fraudulent activities. Researchers can investigate factors influencing employee engagement with governance training programs, perceptions of organizational integrity, and barriers to ethical decision-making, contributing to strategies that promote a culture of integrity and accountability within organizations.

6. Evaluation of Training Programs: Evaluate the effectiveness of governance and fraud awareness training programs in enhancing employees' knowledge, skills, and behaviors related to governance principles and fraud prevention. Research should assess program design, delivery methods, learning outcomes, and long-term impacts on organizational culture and fraud resilience. By examining how training programs influence employee awareness of fraud risks, adherence to governance policies, and responsiveness to ethical dilemmas, researchers can provide evidence-based recommendations for designing and implementing effective training initiatives.

7. Global Comparative Perspectives: Explore governance and fraud dynamics across different countries and regions to understand cultural, regulatory, and institutional influences on organizational practices. Comparative international studies will provide insights into diverse governance practices, regulatory frameworks, and fraud trends, benefiting organizations operating in global contexts. Researchers can analyze how varying legal requirements, cultural norms, and stakeholder expectations shape governance priorities, compliance strategies, and fraud risk management approaches in different regions, facilitating cross-border comparisons and learning.

8. Impact of Regulatory Changes: Investigate how regulatory changes and corporate governance reforms influence organizational behaviors, governance structures, and fraud prevention strategies. Research should analyze organizational responses to evolving regulatory environments and compliance requirements, examining how regulatory reforms affect governance priorities, internal controls, and fraud risk management practices. By exploring the interplay between regulatory compliance, governance effectiveness, and fraud outcomes, researchers can provide insights into adapting governance frameworks to meet changing regulatory landscapes and enhance organizational resilience against fraud and ethical misconduct.

9. Integration of ESG Factors: Research how ESG (environmental, social, and governance) considerations affect the management of fraud risk when incorporated into governance frameworks. Research should explore how organizations incorporate ESG considerations into governance practices, meet stakeholder expectations for transparency and accountability, and enhance organizational resilience against fraud and ethical misconduct. By examining how ESG disclosures, sustainability initiatives, and ethical business practices influence governance effectiveness and fraud prevention strategies, researchers can contribute to understanding the broader implications of sustainability on governance frameworks and organizational integrity.

10. Interdisciplinary Collaborations: Encourage interdisciplinary research collaborations to explore the intersection of governance, fraud management, organizational behavior, psychology, technology, and law. Collaborative efforts will foster innovative insights and holistic solutions to address complex governance challenges and emerging fraud threats effectively. By integrating diverse perspectives and expertise from multiple disciplines, researchers can develop comprehensive frameworks for governance and fraud prevention that consider technological advancements, regulatory landscapes, organizational dynamics, and human behaviors, supporting organizations in navigating governance complexities and mitigating fraud risks proactively.

By pursuing these recommendations, future research endeavors will advance knowledge, develop evidence-based practices, and contribute to continuous improvements in governance frameworks and fraud management strategies across organizations globally.

6.4 Conclusion

This chapter has presented a complete review of corporate governance and its implications for fraud management within organisational contexts. In conclusion, this chapter highlights the importance of corporate governance. Using Cronbach's Alpha, the study confirmed the reliability of survey instruments in measuring various dimensions of corporate governance awareness, types and causes of corporate frauds, advanced fraud dimensions, governance effectiveness, technology integration, and improvement recommendations. This was accomplished by conducting a thorough examination of internal consistency throughout the study. The findings highlighted the resilience of these dimensions, with Cronbach's Alpha coefficients ranging from acceptable to high, showing great internal consistency among survey items. This was demonstrated by the way in which the findings were presented. The specific areas of corporate governance awareness, types and causes of corporate frauds, and reform recommendations all exhibited respectable levels of reliability. Additionally, the areas of technology integration and governance effectiveness indicated satisfactory levels of reliability. These results give a solid platform for evaluating the views and insights of employees regarding governance procedures and fraud awareness. As a result, strategic decisions and interventions that are aimed at improving organisational integrity, compliance, and resilience can be guided by these results.

Furthermore, the regression analysis revealed a somewhat favourable association between corporate governance and corporate frauds. This relationship helped to shed light on the fact that changes in governance standards are correlated with an increase in the number of fraud occurrences that are reported. The strong explanatory power of corporate governance (40.2% of the variance explained) further highlighted the crucial role that it plays in determining instances of fraud that occur inside organisations. Future research directions should focus on longitudinal studies to investigate the sustained impact of governance enhancements on fraud mitigation over time, comparative cross-industry analyses to identify sector-specific governance challenges, qualitative investigations to delve deeper into organisational contexts and stakeholder perceptions, and the incorporation of emerging technologies in governance and fraud prevention strategies. These are some of the areas that should be prioritised in the future. Furthermore, the evaluation of the efficacy of training programmes, the investigation of global governance dynamics, and the investigation of the influence of regulatory changes and environmental, social, and governance factors on governance frameworks will enrich understanding and inform practical applications in the reduction of fraud risks and the promotion of ethical conduct across a variety of organisational settings.

Scholars and practitioners can improve knowledge, develop methods that are supported by evidence, and contribute to the continued evolution of successful governance frameworks and fraud management tactics on a global scale if they address the research gaps that have been identified and embrace interdisciplinary cooperation. This preventative strategy will assist organisations in negotiating the intricacies of governance, promoting transparency, and protecting organisational integrity in a business world that is becoming increasingly dynamic and linked.

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