

Relationship Between Corporate Social Responsibility and Sarbanes-Oxley Act 2002

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by

REGINA DONG-GIN LEE

San Diego, California

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APPROVAL PAGE

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By

REGINA DONG-GIN LEE

Approved by:

Isopko@ncu.edu

Digitally signed by Isopko@ncu.edu  
DN: cn=Isopko@ncu.edu  
Date: 2018.06.08 08:43:10 -06'00'

Chair: Leila Sopko

Date

Certified by:

*Kelley Walters*

6/8/2018

School Dean: Kelley Walters

Date

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## Abstract

This paper aimed at analyzing various sources of information to prove that compliance with Sarbanes-Oxley Act has a positive influence on the companies' initiatives on social responsibility. The purpose of this mixed-method study with a concurrent nesting approach exploring weak internal services that associates with corporate social responsibility for publicly-traded corporations. Using a mixed-method study method of a concurrent nested, the deductive approach was selected to be the approach of the study. A questionnaire generated from surveymonkey.com was used to collect data about the perception of the participants about the chosen research topic's hypothesis conducted on 141 forensic accountants selected from LinkedIn.com and affiliated with organizations that follow the Sarbanes-Oxley Act. From the findings discussed in the prior chapter, there is a relationship between Sarbanes-Oxley Act and corporate social responsibility. Following the findings and the implications discussed above, this study recommends that corporations should strengthen their internal controls by implementing the following control tools in the accounting systems. Another recommendation is directed to future studies. This study was limited to a population of forensic accountants who reside in the United States. It is imperative that future researchers try to target the population of a different jurisdiction in order to provide a comparative analysis of the data obtained in the two jurisdictions. Further studies will help to understand cybercrimes that relate to financial safety of organizations and whether corporate social responsibility can suppress the appetite for cybercrime practices.

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## Chapter 1: Introduction

Businesses and organizations across the globe familiarize themselves with operations of corporate social responsibility. Corporate Social Responsibility (CSR) includes the voluntary actions undertaken by firms for environmental sustenance or improvement of social conditions (Zhang, Zhu, & Ding, 2013). Organizations utilize CSR as one of the general corporate practices and integrates CSR in business reporting to maintain company's values (Zhang et al., 2013). CSR shows synonymic to accountability and since SOX mandated accountability for publicly-traded companies, socially responsible corporations should actively participate in CSR activities. Thus, many businesses have introduced new internal policies and core values based on taking into account various ecological and social considerations of performing business activities (Farooq, Rupp, & Farooq, 2017). Thus, almost all organizations enact varied CSR values detailing different strategies that the organizations implement within the company. Each of these legislations claims to identify and differentiate corporate activities that organizations carried out in a socially responsible manner. Different companies hold distinct perceptions regarding what business elements classify as socially responsible, and even though some organizations perceive some applications, as difficult to manage, organizations hold corporate social responsibility elements as a priority (Carroll, 2015).

One of the most extensive definitions of CSR relates the actual and would be association between international governments, multinational corporations and individual citizens (Kuzincow & Ganczewski, 2015). Moreover, the identification of theories and explanations is linked with the relationship shared by organizations and the local society that it relies on for business (Kuzincow & Ganczewski, 2015). Another explanation of maintaining CSR activities is concerned with the association between a corporation and its stakeholders. For theoretical



implementations, all of these definitions and explanations are relevant, and each identifies a dimension of the subject.

Cybercrime for internal services cause negative outcomes, and many organizations resolve these issues, as a priority (Kumari Tiwari & Debnath, 2017). The misuse of information and communications technology for criminal operations and functionalities needs a coordinated method involving the strengthening of internal services in compliance with SOX through CSR (Rodgers, Soderbom, & Guiral, 2015). From the perspectives of accounting, the formulation of an appropriate strategy and development of frameworks for the protection and support and SOX provides such components in an effective manner. It will also bring about an institutional and legal standpoint for supportive aspects, as well as capacity building of legislative structures which require stakeholder cooperation and improvement (Rodgers, Soderbom, & Guiral, 2015).

This paper aimed at analyzing various sources of information to prove that compliance with Sarbanes-Oxley Act has a positive influence on the companies' initiatives on social responsibility. The Sarbanes-Oxley Act (SOX) created Public Company Accounting Oversight Board (PCAOB) to oversee US audits. Sarbanes-Oxley 2002 (SOX) started a sound basis for the development of ethical standards for companies to comply. Calderon, Hakjooon, and Li (2016) reviewed 2,047 2013 PCAOB inspection reports and determined 50 percent reported with audit deficiencies. Of the reported audit deficiencies, 12 percent related to a weak internal control. Despite the lack of resources, many small and medium-sized organizations still follow SOX to gain access in trading their stocks publicly.

### **Statement of the Problem**

The problem statement of this study is associated with the organization's present issues due to cybercrimes, particularly due to public companies maintaining weak internal controls.

Organizations need to strengthen their internal services that associates with corporate social responsibility in alignment with SOX (Rodgers, Soderbom, & Guiral, 2015). Businesses and organizations across the globe try to familiarize themselves with operations of corporate social responsibility (CSR) to keep current in strengthening their internal services. CSR includes the voluntary actions undertaken by firms for environmental sustenance or improvement of social conditions. (Zhang, Zhu, & Ding, 2013).

Due to evolvement of technology advancement, organizations may operate in an online environment, which allows for buying and selling of goods and services virtually (Gu & Tayi, 2017). The risks of operating in online environments reaches unprecedented levels owing to the numerous new and increasing threats present in the market. These threats increase the difficulty in predicting and targeting for resolution. With a consistent change in the online and physical world, the difference between cyber threats and actual crimes diminishes. A considerable use of various internet and communication devices also contributes to the situation, as the threat elements cause disruption of the internal services (Fazlida, & Said, 2015).

The SOX along with corporate social responsibility considerations is bound to solve issues that are essential in the demographic, social, and economic change in social developments. The ultimate objective of this study includes the exploration of how the incorporation of SOX and CSR practices can efficiently counter the emerging cybercrimes in the modern business world (Rodgers, Soderbom, & Guiral, 2015).

### **Purpose of the Study**

The purpose of this mixed-method study explored weak internal services that associates with corporate social responsibility for publicly-traded corporations by using a concurrent nesting approach. In this research, CSR is defined as voluntary actions undertaken by firms for

environmental sustenance or improvement of social conditions (Zhang, Zhu, & Ding, 2013). This research held the objective of evaluating today's global business environment that integrates the internet and other electronic systems in corporate management. The study utilized phenomenological case studies of global corporate suffered, due to financial scandals resulting from management malpractice, especially from to the adoption of automated systems. The study incorporated research about organizations that suffered losses due to cybercrime related practices. Corporations hold a social responsibility to the society they serve and from which they profit for doing business. Also, the management also holds a social responsibility to the organization they lead and thirdly, corporate has a social responsibility to the federal government through the rules and regulations provided. The public expect organizations to protect the society and to participate in inventing better means of service to make the society a better place.

Following the current attribute of globalization and increased use of the internet, perpetrators target corporations with cybercrimes. At the same time, corporations form a body that hold the right resources to help the society curb some of these problems. This study aimed at finding out the impact cybercrime and other Internet related risks on organization's financial life. It also aimed at determining the impact of CSR on countering cybercrime activities directed to financial crimes and accounting scandals that result to money laundering and fraud and money laundering, and other internet related malpractices within organizations that may result in financial losses (Whelan, Moon, & Grant, 2013).

### **Theoretical/Conceptual Framework**

According to proponents of the shareholder value of the firm, a company exists for the sole aim of increasing the wealth of shareholders (Olsen, 2017). Miles (2017) presented this argument by presenting a study led by Friedman (1962), which presented proponents of the

shareholder value view of the firm argue that a company should only pursue those goals that increase the wealth of those who made investments in the firm. Friedman (1962) based the study upon the fact that these investors created the firm to fulfil a certain purpose (Miles, 2017).

According to Miles (2017), Friedman (1962) proclaimed that the only corporate social responsibility that a firm has is to increase shareholder wealth so long as the company conducts its activities fairly. As such, deviation from the set goals is a setback towards achieving the desired goal. Indeed, it has been argued that the pursuit of other goals leads to the management performing in a suboptimal manner. Despite the noble intentions held by proponents of the shareholder theory of the firm, the theory presents some major drawbacks. One, the theory lacks clarity on the definition of shareholder wealth as there are different ways of assessing the term. Secondly, the pursuit of shareholder wealth alone leaves other vulnerable to the whims of shareholders. For instance, such a pursuit of wealth would mean that companies are allowed to take on more risks that endanger the very wealth that is being pursued.

Van Der Linden & Freeman (2017) argued that these shortcomings of the shareholder view of the firm led to the rise of the stakeholder theory approach to corporate management. According to the researchers, advanced by Freeman (1980), the stakeholder theory argues that a company's activities are affected or affect a large number of individuals. Therefore, the firm should consider the effect that its activities have on the groups identified to be most critical to the firm. Van Der Linden & Freeman (2017) argued that the stakeholder value theory can be useful in guiding companies within regions where the regulatory framework is weak or even non-existent. When operating under such conditions, Van Der Linden & Freeman (2017) argued that the stakeholder theory leads to the company becoming a better citizen towards these diverse

groups. The stakeholder view of the firm led to the perception that a company should act in a socially acceptable manner.

CSR relates to the processes through which companies seek to become better citizens (Alvarado-Herrera, Bigne, Aldas-Manzano, & Curras-Perez, 2017). CSR provides a broad perception whose interpretation spans across all functions in firm. For example, CSR within the supply chain leads to a more sustainable way of sourcing for raw materials that takes into account of environmental pollution, prices paid to suppliers, and reduced risk of shortages (Bisogno, 2016). In marketing, CSR expressed in calls for companies to be more sensitive in their advertisements and marketing strategies that are considerate of market expectations. In human resource, CSR expressed in calls for the company to be more inclusive of gender and race within its employee ranks (Martin, Farndale, Paauwe, & Stiles, 2016). Also, Marin et al. (2016) argued that CSR expressed in research pointed at developing ethical ways of hiring.

According to the global sustainability reporting standards, CSR holds three pillars, as presented in Kuzincow and Ganczewski's (2015) study. The three pillars are based on triple bottom line as defined as the inclusion of people and the planet to the general aim of profit that was traditionally pursued by companies. The people perspective, also referred as the social perspective, relates to how the company relates with the community in which the company operates (Kuzincow & Ganczewski, 2015). Therefore, companies pursuing the social pillar seek to solve such problems as unemployment and poverty that may afflict the target community. The environmental viewpoint seeks to address such issues as pollution and energy consumption (Kuzincow & Ganczewski, 2015).

In accounting and finance, corporate social responsibility expressed in research, urges companies to take on risks that firms can handle. Van Der Linden and Freeman (2017) argued

that risk taking practices within the firm endanger the company's ability to create value for its shareholders and other stakeholders. In addition to the stakeholders' values, the researchers also argued that a company owes its stakeholders an accurate financial report of its activities on a regular basis. Like the shareholder wealth theory, the economic pillar of corporate social responsibility seeks to have managers add to the economic wealth of shareholders. Also, the economic pillar seeks to have companies pursue the addition of wealth in a fair fashion that is bereft of fraud and deception. Consequently, the manipulation of earnings would consider as a detraction in the pursuit of these objectives.

### **Nature of the Study**

This study classified as mixed-method and utilized both online surveys and literature reviews of case studies to analyze pertinent findings. The study applied systemic review in questionnaires, abstracts, methodologies and discussions of different journals and published articles. The selected studies for the evaluation process and surveys from 11 forensic accountants that provide service in various publicly-traded corporations to derive data for explanation purposes.

### **Research Questions**

The questions include the following:

#### **Qualitative:**

**Q1.** What are the roles of CSR within the organization and what are the impacts of these functions on countering the internet and automated systems malpractices by stakeholders that may result in financial losses?

### **Quantitative:**

**Q2.** To what extent, if any, does cyberspace and cybercrime have impacts on the financial safety of organizations?

**Q3.** To what extent, if any, does corporate social responsibility have impacts on cybercrime practices that result into financial crimes?

### **Hypothesizes**

The hypothesis for this study include the following:

**H1<sub>0</sub>.** Cyberspace and cybercrime do not have any statistically significant impact on financial safety of organizations.

**H1<sub>a</sub>.** Cyberspace and cybercrime do have statistically significant impacts on financial safety of organizations.

**H2<sub>0</sub>.** Corporate social responsibility does not have any statistically significant impacts on cybercrime practices that result into financial crimes.

**H2<sub>a</sub>.** Corporate social responsibility does have a statistically significant impact on cybercrime practices that result into financial crimes.

### **Significance of the Study**

According to social learning theory, role models help in implementing ethical behaviors to their followers (Brown & Trevino, 2014). Thus, it is imperative for leaders to act in a particular manner, so employees may follow and mirror the leaders' actions. Organizations hire leaders to act as a role model for employees to follow. According to Brown and Trevino (2014), based upon Bandura's (1986, 1991) social learning theory, ethical role models presented early in life help mold moral behavior. Overall, workplace considers a priority in having a moral mentor for employees to learn about ethical leadership in the workplace.

Zhang, Zhu, and Ding (2013) also realized the importance and studied on the board of directors' influence in both internal and external to the company. From their study, both stakeholders and women directors consider corporate social responsibility (CSR) important, when the board of directors commits to this idea. In addition to Zhang et al. (2013), both Warner (2015) Eberhardt-Toth (2017) also suggest for the board directors to focus on CSR to increase the organization's commitment on ethics and integrity.

This research study's objective included evaluating today's global business environment that integrates the internet and other electronic systems in corporate management. The study utilized phenomenological case studies of global corporate that have suffered due to financial scandals resulting from management malpractice. Gupta, Weirich, and Turner (2013) acknowledged that SOX increased cost. The cost of implementing and maintaining this regulation outweighs the benefits for some organizations. Corporations hold a social responsibility to the society they serve and from which they profit for doing business. Also, the management also hold a social responsibility to the organization they lead and corporate hold a social responsibility to the federal government through the rules and regulations provided. The public expect organizations to protect the society and to participate in inventing better means of service to make the society a better place. Overall, the workplace focuses on the importance in having a moral mentor for employees to learn about ethical leadership. These questions provided awareness for both organizations and policy-makers. Also, these questions may encourage organizations to commit and support corporate social responsibility

### **Definitions of Key Terms**

**Corporate Social Responsibility (CSR)** - is an organization's drive to assess and take liability for the impacts of its activities on the natural and social property. This definition



entails other activities other than the ones regulated by insurance corporations and ecological controllers.

**Sarbanes-Oxley Act (SOA)** - a regulation outlined by the Public Company Accounting Reform and Investor Protection Act which guides public organizations board, administration and public accounting companies in bookkeeping.

**Cyber Crime**-a crime that is committed in the cyberspace and which uses a computer or a computer technology (hacking, phishing, spamming). Cybercriminals utilize these techniques to access personal information, or a company's information to create programs that manipulate financial information and they can then make untraceable frauds.

**Forensic accounting**- entails the use of investigative skills to evaluate the accuracy, reliability and validity of financial reports made by the corporate world.

**Financial crime**- These are financial dealings and practices that insincerely create riches for those involved, at the expense of other parties. These may include misrepresentation of financial data or the obtaining of someone else's property by double dealing with the expectation of securing an insincere material gain.

### Summary

Organizations include globalization and extensive innovation as an organizational trademark. For instance, banks currently extend their operations beyond their local environments, due to the impacts of globalization and innovation. Unfortunately, the development of business, globalization and innovation predisposes businesses to risks of extortion, financial conflicts among other risks involved with globalization, innovation and expansion. Due to globalization

and extensive innovation, organizations continue to mandate internal controls to strive to keep up with saving corporate resources.

The United States of America and other regions in Europe energized countries and corporate associations to place more power on their inside control structures and inner inspecting capacities and danger administration. The financial crunch that hit the world's most created economies as of late shows an unmistakable sign of the disappointment of the framework to keep in line a portion of the overabundances in our scurry to fulfill our benefit making motivation. The organizations gear towards exceeding one another in the competition. This research study presented an in-depth literature review concerning the role of technology in increasing fraud and other financial crimes in the global realm. The mixed-method study used questionnaires from forensic accountants and literature reviews. The findings are based on the evaluation of the technological factors that facilitated the financial crimes discusses. This study also advocated for the implementation of the SOX by public organizations to strengthen the internal control of an organization. The ultimate conclusion was drawn from the findings of the study in answering the research question.

## Chapter 2: Literature Review

The purpose of this phenomenological case study explored weak internal services that associates with corporate social responsibility for publicly-traded corporations. Due to the rise of cybercrimes, organizations hire forensic accountants to assist in detecting and preventing any fraudulent digital information (Smith, 2015). The problem statement of this study was associated with the organization's present issues due to cybercrimes, particularly due to public companies maintaining weak internal controls. Thus, the next sections will discuss a brief synopsis of corporate social responsibility, Sarbanes-Oxley Act of 2002, and the relations between the two topics. The main theories that connect between the two topics and answer the research questions include the stakeholder theory and social learning theory.

Additionally, organization's ethical standards subjected to compromise about corporate social responsibility of organization; hence, a necessity for the organizations to address the ethical concerns. To respond to this worry, legislation made to deal with the situation and reflect the value of corporate social responsibility (CSR). The section of the research observed the Sarbanes-Oxley (SOX) Act of 2002 about corporate social responsibility and how the enactment affected by stockholders and social learning theories.

### Documentation

The literature search utilized keywords, such as CSR, SOX, cybercrimes, stockholders theory, and social learning theory. Sources derived from different textbooks and peer-reviewed journals and published articles found in ProQuest Research Library.

## Theoretical Framework

### Stockholders theory

According to the Cadbury Committee held back in 1992, corporate governance refers to structured ways which offer guidance to directing and managing of business corporates (Mallin, 2016). Several theories emerged to guide in the best and appropriate governance methods of companies. Donaldson and Walsh (2015) argued that the Stockholder's and the stakeholder's theories consist of the commonest simplified approaches in the management of corporates. They defended their stance by retelling evolvement of the shareholder's theory. Milton Friedman (1970) pioneered the Stockholder's theory. According to Friedman's (1970) Stockholder's theory, businesses only exist to increase profits for the owners (Donaldson & Wash, 2016).

Campbell et al. (2015) argued that the comparatively wider environment and a list of stakeholders of which business should owe a responsibility to and not only the original shareholders of owners of the. The advocators, like Donaldson & Walsh (2016) acknowledged the presence of a community who affect the business in one way or another. According to the advocators, the stakeholders of the corporation consist of the working staff members or employees, goods and services suppliers, customers, credit service provider, the community, business competitors and other parties (Benn, Abratt, & O'Leary, 2016).

Reiter (2016) argued that the Adam Smith provided a foundation to the stakeholder's theory through his Wealth of Nations, published in 1776. Smith (1776) argued that individuals hold the ability to follow with their personal interests to meet society's profitability. Furthermore, the free market exchange will only work, if the ownership can transfer from the seller to the buyer and vice-versa. This concept defines capitalism, which sparked other theorists to explain capitalism, including Friedman (Reiter, 2016).

Ferrero, Hoffman, and McNulty (2014) accounted how Milton Friedman wrote stockholders theory as his research thesis and many several media company gave it massive publicity around 1970. According to the stockholders theory, several disagreements exist with society's approach to business. stockholders theory opposed the ideological business approaches of linking free enterprises to achievements of social ends. Friedman (1970) rejected the presence of social consciousness in the running of the business and accused supporters as puppets of the existent intellectual forces. The theory opposed the capacity of business to undertake social responsibility acts such as the provision of employment, elimination of discrimination, avoidance of pollution and many other specified social issues assigned to business world today (Ferrero et al., 2014). Friedman viewed such motives as based on displaying pure socialism and philanthropy which would undermine businesses negatively (Cord & Hammond, 2016). Milton Friedman's take on the social responsibilities for corporates was that it existed on loose foundation and supporters could not conclusively elaborate on it negatively (Cord & Hammond, 2016). He argued that business corporations equate to artificial persons thus implying that the corporations hold artificial responsibilities (Zhao, Zhang, & Kwon, 2017). Friedman confronted the ideas which established that businesses compelled to help the society since the business responsibilities present as inexistent and vague (Zhao, Zhang, & Kwon, 2017).

The proponent of the stockholder theory stems from Milton Friedman (1970), and the theory holds that the only responsibility of business includes the improvement of profits. The premise stemmed from management as a resource and hired as being the agent of shareholders with the aim of running the company for their benefit. Hence management viewed as morally and legally obligated to serve the stockholders' interests (Dam & Scholtens, 2015). The theory presents a way towards transacting business with companies, due to the disadvantages when

solely concentrating on the interest of shareholders. The focus on great risk-taking and a short-term strategy form some of the inherent dangers involved in the theory.

Mansell (2013) argued that Friedman (1970) presented three key ideas. The first idea revolved around property ownership. Since shareholders bought stocks in exchange for some percentages of the organization, the shareholders may regard the organization as their property. The next idea focuses on management. The shareholders' stock also includes management or the caretaker of the organization or property, which implies managements' sole duty includes watching over their property. Lastly, management represents the shareholders wishes, which entails multiplying the value or maximizing profit (Mansell, 2013).

Diener (2016) further argues by classifying profit maximization into two groups. The first group entails unrestricted profit maximization, which Diener (2016) defined as organizations maximize their profit without any regards to laws, rules, nor any consequences to any involved parties. Diener (2016) argued that more organizations may involve themselves with the first group, due to opportunity, rationalization, and pressure. Thus, the researcher forewarned organizations to pay attention to their actions, due to the current challenging economic times. On the other side, the second group entails restricted profit maximization, where organizations maximize their profits through ethical, societal, and regulation means (Diener 2016).

According to Dam and Scholtens (2015), the stockholder theory equals the influential view about the role of business in the society hence pushing the idea that the managers entail the responsibilities of serving the interest of shareholders. They make it through the use of resources of the corporation with the aim of increasing the wealth owned by the shareholder. Hence the theory holds that if its characteristics manifest within the constraints of law and devoid of fraud

or deception, which benefits for the whole society. In this context, the CSR correlates with an emphasis regarding economic profit making.

The stockholder's theory in this regard addresses the social responsibility by viewing the stockholders as the drivers of the organization and implies that the only group that the office needs entails responsibilities socially. In this sense, the goal of the organization needs to maximize profits and after that return its portion to the shareholders in appreciation of their risk while investing in the firm. As it happens, the shareholders can decide on the social initiatives that they can take part in without their executive leader deciding for them. This theory, in summary, implies that a company does not need the social responsibility to the society as the only concern that their achievement only entails increasing profit for the office and the shareholders; however, countered by the introduction of SOX.

Forrer and Seyle (2016) mentioned that Friedman (1970) further noted that if any person bore a social responsibility, then the businesspersons would portray the description. Individual proprietors or the managers at their level and they had no ways of linking their personal obligations to the company's roles. He acknowledged the role of the corporate executive as the agent of the owners of the business enterprise and who holds a direct role in reporting to his or her employer. Corporate executives possess the sole role of running the company as per the desires of the owners and recover the highest possible amounts of money as profits while adhering to the existent rules in the business world. Friedman (1970) acknowledged the presence of rules based on the embodiments in law and equal recognition of regulations founded on the ethical customs of society (Forrer & Seyle, 2016).

Friedman, Lesson, Palm, and Taylor (2017) assessed that Friedman (1970) recognized the presence of other ambitions of business owners and acknowledged that some corporations run on

eleemosynary functions such as running of hospitals or even school facilities to the community. Such charity organizations may not make any profits from the business projects. Friedman (1970) established that when a person holding an office of a corporate executive felt obliged to offer to charity, for instance in church, then the executive should input any personal resources without stealing or taking from executive's employer (Friedman et al., 2017).

Chaubey (2016) illustrated that Friedman's (1970) stockholders theory acknowledged the total distinction between business and person; therefore, rejected the presence of social responsibility amongst business structures. Attempts to push business to fulfill certain social values would misdirect the operations of the business unit. Friedman (1970) questioned instances whereby the business leadership tried to accommodate several unemployed people into the company without recognizing the essence, skills, talents, and capacity that the people brought into a business (Shen, Wu, Chen, & Fang, 2016). Employment-based on trying to achieve social goals derail the company (Shen, Wu, Chen, & Fang, 2016). Another example includes allocating huge amounts of resources to fight pollution by a company to attain social responsibility reforms (Shen, Wu, Chen, & Fang, 2016).

Price and Sun (2017) mentioned that Friedman (1970) argued that if a business attempted expenditure on charities then the management of the business spends somebody else's money to fulfil general social regards. Such moves reduce total returns of the stockholders. The actions also contributed to raising the prices of items and services for the customers, reducing wages for the employees, and several other issues in the community. Friedman's (1970) Stakeholder's Theory argued that irrespective of such charities aimed at benefitting employees, customers or any stockholder; they possess the option of spending their resources to achieve such wishes without the company's involvement (Price & Sun, 2017). Narotzki (2017) argued that if people



hope that the charities or social responsibility actions should benefit the community, then it amounts to double taxation. Legally, business renders tax revenues to the government which possess the sole roles of building infrastructures and other basic utilities for people in the community. Businesses should does not render taxes and again serve community social interests (Narotzki, 2017).

Bower and Paine (2017) portrayed that Friedman (1970) acknowledged the role of governments to impose and spend tax incomes and he also noted the presence of the legislative and judicial structures to guide in the management of tax revenues. Friedman (1970) argued that when businesspeople are committed to social responsibility works, then he or she was adopting new roles of being a legislator, an executive and, a jurist. Friedman's (1970) stockholders theory intended that corporate managers should not participate in trying to help the government. When corporate executives assumed the works of helping the community, then the executive relinquish the role as an agent of the stockholders and adopts a role of a civil servant or a public employee, despite wearing the labels of the company (Bower & Paine, 2017)

Hsieh (2017) expressed worry on the corporate managers who aimed at committing to charities, but unable to address key concerns of the company such as wages, product prices, and many other roles. Attempts by employees to seek improvement of wages, always prompts wildcat strikes or demonstration, rank-and-file rebellions and the introduction of unrelenting contestants trying to get the job vacancies (Hsieh, 2017).

Hsieh (2017) faulted parts of the society that pushed corporates into fostering social responsibility works. Panwar, Nybakk, Hansen, and Pinkse (2017) also did not see-saw any wrong-doings, when a sole proprietor willingly expended the money to the public's benefit. The cause comes from proprietor's sole ownership of the business and a small difference between

proprietor and the business. While Panwar et al. (2017) noted that such sole proprietors or stockholder might harm the customers and employees through search attempts; however, the small number of owners of the business may harm many people in the society.

In summary, Friedman's (1970) Stockholder's Theory argued that the role of the business entity includes maximizing earnings or profits for the stockholders (Cord & Hammond, 2016). Cord and Hammond (2016) further illustrated that every business governance models aim at ensuring intensification of the revenues and reduction of the costs. Friedman (1970) maintained that business had a single social responsibility which includes utilizing the resources in amplifying the profits as long as it operates within the legal constraints of law, operates in free and open market competition, void of deception or frauds (Cord & Hammond, 2016).

Lozano, Carpenter, and Huisingh (2015) emphasize that organizations utilize the stockholder's theory to fix short-term economic problems. When organizations need to give a big and quick return of investment to stockholders, then the theory will give a quick fix. Through the theory, management will perform certain tasks that will give an advantage to the shareholders, despite the consequence to other involved parties, which include the employees. Thus, organizations should not use the theory for long-term investment purposes (Lozano et al., 2015).

Zgarni, Hlioui, and Zehri (2016) advocated for the importance of stockholder's theory. For instance, through the elimination of social responsibilities of the business, aims at preventing loss of resources due to the external activities and multiplying the investments into factors that improve returns to the owners. Allocation of business funds to other activities, for instance, social or charity activities triggers a reduction in profitability and denies other sectors of business sufficient finances. Profitability remains crucial to the continuous operation of the business. The importance of stockholder theory shows more visibility and more applicable in the current

setting when businesses appear to be receiving multiple operational challenges especially from the sources which promote stakeholder theory. Support and application of stockholder theory in the United States have the potential of resurrecting the manufacturing industry which faces multiple challenges from the external environment. Some of the obstacles affecting the businesses such as those in the manufacturing segments are mainly huge operational and input costs, for instance, labour and inhibiting legislative environment, for instance, high expenses on providing workers safety (Zgarni, Hlioui, & Zehri, 2016)

Rustam and Rashid (2015) argued that businesses also face challenges of management of pollution; expensive energy costs and lastly intensive competition from foreign countries with lower production cost. Stockholder theory provides increased recognition to the owners, employee, and customers who directly contribute to the increased revenues for the business entity. Stockholder theory cautions against stealing of owners' equity or form of investments and challenges government to build sufficient infrastructure for the enhanced prosperity of business. Overburdening business with many other roles is a critical cause of the failure of business and management should always protect firms against external shocks regarding unnecessary liabilities. For successful profits generation, businesses need to engage well-trained personnel in the management of the business resources. Correct personnel aids in enhanced planning and controlling of the resources for increased incomes (Rustam & Rashid, 2015).

In brief, the stockholder's theory shows some critical relevance and significance currently, especially in the face of the mass collapse of structured business organizations in both public and private enterprises. The stockholder's theory faced myriads of challenges in the past, Türker (2015) advocated the notion of social responsibility as inseparable part of the business. Meanwhile, Skilton and Purdy (2017) exposed several loopholes that deceitful corporate

managers may control to benefit illegally from the stockholder funds. To simplify the theory's importance, a critical look in the absence of a stockholder, a business collapses. People should encourage adoption of stockholder's theory to increase in investment behavior in a community. The managers of the business entities should exhibit integrity to the owners of the business and always show transparency (Skilton & Purdy, 2017)

The stockholder's theory shows a simplified and summarized expositions outlined in the SOX. The Act introduced multiples steps aimed at increasing investor security, transparency and protecting the investors from the deceitful corporate managers (Keckskés, 2016). Nations with poor corporate legislations reduce investor morale; thus, denying such nations possible sources of tax revenue, employment opportunities and source of critical services and product (Du, Jian, & Lai, 2017). Stockholders equate as key to the continued existence of businesses (Chuang, 2017). When shareholders or stockholder remove their shares from a company, the operation capacity of the company reduces (Chuang, 2017). Stockholders offer invaluable input to the corporate world, and they need protection and safeguards.

Chhaochharia, Grinstein, Grullon, and Michaely (2016) implicated that stockholders theory shows revelatory today, as the theory aims at stopping misappropriation of investor's resources and calls for re-investment for more profits as the only way of expending the stockholder's resources. The theory cautions the managers or corporate executives against spending the scarce resources of shareholders or stockholders in pursuing personal ambitions, such as social responsibility (Chhaochharia, 2016). Greenwood (2015) argued that the sole reason for the enactment of SOX's response to the increased theft, lack of transparency and many other deeds which lead to failure of many corporates in the United States. SOX came into

action at the time when several companies collapsed due to management and accounting problems regarding company resources (Greenwood, 2015)

Stockholders theory apparently communicates similar message as SOX, since they both target protection of investors. The main difference stems from the fact that SOX presents more elaborate and more segmented in every category (Chhaochharia et al., 2016). SOX or also called "*Public Company Accounting Reform and Investor Protection Act*" enacted in 2002 for several reasons aimed at securing the investors or stockholders in the current reconfiguration of the market (Ferrero et al., 2014). Kecskés (2016) argued that SOX provides guidelines to public companies, administration, and control of public accounting companies. The act also includes some provision that entails management of privately owned companies. The laws safeguards against the intended destruction of evidence to obstruct a Federal investigation (Kecskés, 2016).

### **Social learning theory**

The stockholders theory shows a strong correlation between the two topic, but the social learning theory also supports the relationship between the two topics. The social learning theory (SLT) by Bandura (1986, 1991) holds that people get to learn from each other as a result of imitation, observation, and modelling. The uniqueness of the theory encompasses memory, attention, and motivation, which presents as a bridge between the cognitive and behaviourist learning theories. The theory, therefore, contains relevant conditions for it to uphold an effective modelling (Bethards, 2014).

Albert Bandura (1977) developed SLT to provide a construct on behaviourist learning theory of classical and operant conditioning (Birkley & Eckhardt, 2015). Bandura (1977) used the approach to explain the manner in which children learn in a social context by observing the people around them and imitating their behaviours (Arocho & Kamp Dush, 2017). He ultimately

believed that reinforcement could adequately explain how learning takes place, but rather the presence of those could add significant influence. Besides, he recognized learning as a cognitive process that transpires through a social context and resulted from observation or direct instruction, with or without direct reinforcement (Stone & Walker, 2017). Fox (2017) also supported that learning can occur by administering rewards and punishments. SLT supplements traditional learning theory, in which reinforcements solely determine behaviour by emphasizing the roles social elements and internal processes play on a learner (Fox, 2017). Doubtlessly, SLT shows effectiveness in influencing learning outcomes that are behaviour and processes oriented (Bauman, Tost, & Ong, 2016).

Nevertheless, while studying aggression, Bandura (1977) employed the Bobo doll experiment to demonstrate that children can learn by observing adult behaviour. A team of researchers carried out the study by studying who could physically and verbally abuse inflatable doll, just in the presence of pre-school children. With time, the children started to mimic the behaviour the adults exhibited by similarly abusing the doll. They learned that when the doll got knocked down, the children assumed the doll resumes an upright position. Again, they discovered that when the adults knocked down the doll, they were punished (Watts et al., 2017). Since the children connected aggressive behaviour with punishment, they did not imitate it (Stone & Walker, 2017). The point Bandura (1977) wanted to put across includes the fact that reinforcement alone cannot fully explain learning, but the presence of others causes influence (Negash & Maguire-Jack, 2016). People can observe, imitate, and model while learning from one another (Christensen, Mackey, & Whetten, 2014). In essence, learning can materialize by observing how others behave, examining their attitudes and outcomes as a result of behaving in a

certain way. According to this theory, human behaviour presents a product of a continuous reciprocal interaction between various environments (Wrye& Pruitt, 2017).

### ***Importance of SLT***

Contrary, SLT does not transfer systematically of knowledge but refers to collective bargaining and searching for new meaning and insight (Cheng & Chu, 2014). Within this context, the learning approach transcends beyond rational education models for raising awareness in the traditional community. SLT requires the creation a group setting, as well as collaborative processes to foster autonomous participation by individuals to make a collective inquiry (Walumbwa, Hartnell, & Misati, 2017). Over the years, many theorists put forward to explain why people always behave in a unique way (Cheung, Liu, & Lee, 2015). Bell, Tannenbaum, Ford, Noe, and Kraiger (2017) argued that SLT revolves around B.F. Skinner's (1954) operant conditioning along with the traditional learning approach. It also insists on direct reinforcement may not result in effective learning, but the underlying social element can make individuals learn appropriately (Bell et al., 2017). The theory, therefore, has helped to explain how individuals learn new concepts and develop unique behaviours from observations. In other words, the theory's focus is on people's observational learning process.

Similarly, SLT enhances learning through a social context. As theorized in SLT, individuals gain essential learning lessons by modelling others' behaviour, as well as the consequences of the observed one (Heydari, Dashtgard, & Moghadam, 2014). Heydari et al. (2014) also argued that learning can still take place even in the absence of behavioural change. While observation can enhance learning, individual performance may not reflect this. The theory goes ahead to suggest that reasoning adds relevance to the learning process. Also, punishments or reinforcement help to form individuals' expectations and can influence their final decisions

(Heydari et al., 2014). The drive for sustainability has seen businesses embrace SLT to develop critical success factors (Cheung, Liu, & Lee, 2015). Most of them impart relevant business skills to their students and professionals by way of observing and modelling behavioural aspects.

Caligiuri and Bonache (2016) argued that the problems that society struggle with do not relate globally in scope, but also structurally multifaceted. Organizations need to be socially responsible by addressing these critical community issues by making people learn what is required. The best platform through which business achieve to resolve this issue can exemplify through SLT (Caligiuri & Bonache, 2016). Goetzman (2014) argued that companies integrated SLT in their digital technologies to pass relevant information to all stakeholders. Internal based protocols and the emergence of information media as a result of technological advancements have changed how people learn. Instead, corporate now make SLT possible with online learning and through virtual classrooms. Currently, schools try to replace the traditional classroom learning by web-based learning and the internet (Goetzman, 2014). Bruton, Mellalieu, & Shearer (2016) argued that learning that would be laborious and hazardous if people relied on the consequences of their actions to decide their next course from Bandura's (1977) theory. The fact that human behaviour is shaped through observational learning using models makes learning better. Observations develop new human behaviors, which later determine the way people act (Bruton, Mellalieu, & Shearer, 2016).

SLT contains some components, as described in the following passage. Retention knew as the ability to remember, which includes mental images, symbolic coding, and cognitive organization among others. Reproduction forms another necessary condition, and it involves physical capabilities as well as self-observation of reproduction. Motivation presents the other condition which indicates an individual is having a good reason to imitate (Bethards, 2014).



### ***Relevance of SLT in the modern world***

SLT embodies both cognitive and behavioural frameworks to explain psychological orders and aggression (Moriarty, 2014). Corporate training relies on these behaviour modelling frameworks to promote self-efficacy at the workplace (Moriarty, 2014). Additionally, social learning creates a greater impact when it comes to television commercials (Heydari et al., 2014). Sniehotta, Presseau, and Araújo-Soares argued that some ads suggest that consuming specific brands can make someone gain considerable fame and receive recognition from influential people. Individuals would then imitate what they observed in the commercial and will eventually increase their demand for the advertised commodity (Sniehotta et al., 2014).

Effective modelling must embrace four essential factors; attention, retention, reproduction, and motivation (Rojuli, Rahayu, & Disman, 2017). Rojuli, Rahayu, and Disman (2017) describe and define each factor. Attention involves elements of complexity, functional value, prevalence, and distinctiveness. Attention also takes into personal account characteristics such as perceptual sets, sensory capacities, and past reinforcement. Similarly, attention is equally essential for one to memorize events as it determines the retention capacity (Rojuli, Rahayu, & Disman, 2017). In particular, this relates to mental images, symbolic coding, symbolic rehearsal and cognitive organization (Sung, & Choi, 2014). Sung and Choi (2014) continue and mention that ability to reproduce the image can influence behaviour modelling to no small extent. Physical capabilities and self-observation increase the ability to reproduce images. Modeling requires a great deal of imitating and this comes with motivation. Different motives in connection with traditional behaviourism imagined incentives and vicarious motives where one can see and recall the reinforcement mechanism can improve behavioural modelling (Sung, & Choi, 2014).

Above all, SLT can demonstrate how the business and the society interrelate. The society mostly communicates with the corporate world via social demands (Mauer, Neergaard, & Linstad, 2009). Thus, the business world should listen to the society, and the corporate to integrate social demands. Addressing these social demands in the entity's organizational management involves social agents who learn from observations, imitations, and models (Mauer et al., 2009). Systematic inconsistencies can considerably limit the scope of solving such issues, necessitating inter-industry benchmarks to gauge socially acceptable behaviour (Sniehotta et al., 2014). Rayton, Brammer, and Millington (2015) argued that subordinates will need to imitate successful managers and come up with a compatible framework for analyzing social learning models. Corporate social performance contains a set of theories that determines social legitimacy to create processes for generating appropriate responses (Rayton, Brammer, & Millington, 2015). In the contemporary, social media phenomenon makes use of the many observations that promotes SLT.

### ***How the SLT affects SOX***

Another impact of SLT indirectly affects SOX. According to Hanna, Crittenden, and Crittenden (2013), reports on disreputable behaviour conquered the press with unethical reports. The SLT provides a theoretical foundation for the comprehending the impacts regarding the principled standards of business leaders across cultures as it aims to look for explanatory constructs regarding the unprincipled standards across the world.

The proponent, SLT, Bethards (2014) gives an explanation how human behaviour may influence ethical standards ranging from the continuous reciprocal interaction between environmental, behavioural, and cognitive influences. Bethards (2014) further notes interdependency in the understanding of the potential conflicting signals received by future

business leaders. The SLT shows the interaction between the knowledge and experience of an individual and the behaviour of the individual. The premise that the SLT's foundation includes the behaviour forms both situation and person and does not form the individual factors alone (Bethards, 2014). SLT entails both operant and cognitive views of learning.

Equally important, the SLT provides a theoretical basis for the organization, sales and strategic management, and classroom instruction (Brunstein et al., 2015). As SLT makes a proposition, the individuals get to learn most of their behaviours through imitation and observation of others. Narrowing down to the context of ethics, the framework of SLT offers the much-needed guidance to understand how business leaders of the future tend to gain knowledge of how to make their business decisions.

The role of curriculum in business ethics emphasized within organizations, but the aspect of curriculum again does not take into consideration the interaction which takes place among the other constructs affecting business leaders' attitudes that relate to unethical behaviour. The educators can provide academic grounds of understanding the ethical issues; the curriculum remains an elusive component especially when the future business leader of concern placed in the work environment (Brunstein et al., 2015). For instance, unethical behaviour in an organization manifested through the actions of the members of the same office which are supposed as objectionable about the norms of the society or the standards of general conduct (Brunstein et al., 2015).

In this case, the norms and standards may represent the legal consequences of actions. Organizations can utilize SLT as a useful tool to guide employee behaviour. Modeling an appropriate business building behaviour in workers would increase adaptability, which will lead the business to success (Sung, & Choi, 2014). Hence, the future leaders hold a high probability

of upholding a keen environment focus as affected by the rules of the legal aspect of actions of business and capitalism. Therefore, provides suggestions of three important influences including capitalism, role models, and laws (Brunstein et al., 2015).

### Capitalism

According to Yoffie and Cusumano (2015), Bill Gates in 2008 suggested that the biggest problem of the world's resolution includes creative capitalism or free market through both financial gains and social contributions. Yoffie and Cusumano (2015) further emphasized by the thought that social attitudes and cultural values that are found within the general population define capitalism. A contrary opinion includes that the economic climate of today fosters unethical behaviour as attributed to increased unethical actions to the capitalistic climate (Yoffie & Cusumano, 2015). The concept of capitalism hence leads to the question whether capitalistic motives drive unethical decisions in different cultures.

### Role models

SLT supports CSR through leaders or role models in organizations. In SLT, the first step in the workplace includes presenting a figure to model the desired behaviour. Instead of instructing the employees' actions, leaders need to model the behaviour by dramatizing the process they expect their followers to assume (Benson, Lorenzoni, & Cook, 2016). Through such modelling, the employees will, in turn, develop a clear understanding of the details of the behaviour. The employees will then be obligated to try out the behavior for the success of the business.

A dominant ethical concern entails leading by example, and much attention goes towards on top executives about their moral tenor of their organization. Leadership presents equally important even at the lower ranks of management, but the people who serve as role models

regarding principled behaviour at work in most cases includes immediate supervisors and coworkers (Brunstein et al., 2015).

In some cases, the role models may not portray any awareness to observation by the individuals who want to mimic their role models. On the other hand, mentors with awareness know they represent a figure to those whom they interact with at mentorship level. In this regard, the modelling process gets to promote SLT through interaction where the parties involved may not present any awareness of the exchange taking place.

After modeling, the leaders assume the responsibility of encouraging their employees to imitate the behaviour (Weaver, 2014). Bauman et al. (2016) argue that organizations should hire an ethical leader. The ethical leader will captivate the followers' attention to imitate the characters distinguished in the model. Secondly, the organization can consider rewarding those employees who adopt the modelled behaviour, and other workers will get the motivation that modeled behaviour is worth pursuing. Factoring the rationality of employees when it comes to benefits, most employees will readily adopt the modelled behaviour (Bauman et al., 2016).

Wang, Gan, Wu, and Wang (2015) argued that leaders should supervise the workers and make sure they follow the procedures they observed in the modelled behaviour. In case the employees ignore these procedures, the leader has to take a corrective action, by urging them to adopt the behavior. Additionally, if the employees disregard the modelled behavior, the leaders must articulate consequences for doing so, which include verbal correction or formal sanctions.

#### Laws

The relationship between laws and ethics poses an interesting debate. For example, the external regulation characterized post-Enron era (Yoffie & Cusumano, 2015). SOX presents an effort by the United States Congress to entail hard penalties imposed on corporations that

identified as having corporate misconduct. Hence the aim of the SOX includes the reestablishment of confidence in the large businesses.

Legal does not always present as ethical because many businesses increased efforts to ensure cognizant of ethical obligations but not necessarily complying with the law (Bassell & Friedman, 2016). This leads to another question of whether business leaders of different cultures' perception of legality and ethics, implying behaviours of unethical nature guided by laws in diverse culture? Therefore, the likelihood of compromising ethics streams down through the actions of role models and their behaviour. In egoist societies like the United States, the use of what constitutes lawful as a standard for the measurement of what principles play a critical role.

### ***SLT in the context of CSR***

The concept of CSR continued to attract attention from across the world and acquired a new dimension in the global economy (Korschun, Bhattacharya, & Swain, 2014). Korschun et al. (2014) argued that increased business complexity and higher demand for corporate citizenship and transparency reflect the scope of globalization and international trade, hence raising interest in CSR. Companies are progressing to differentiate themselves, and this is happening by engaging in CSR with emphasis on observation learning and behavioural modelling (Nikolova, & Arsić, 2017).

Tang and Hew (2017) claimed that currently, institutions revise their learning management systems (LMS) to integrate social learning. In a recent survey carried out to calculate the extent LMS and the level of employee engagement, respondents admitted that mobile instant messages improved social learning considering 72% of the participant's utilized emoticons and 21% of the participants uploaded photos (Tang & Hew, 2017). Once these students graduate, then the expectation for these students include working in an organization.

According to Calk and Patrick (2017), millennial workers show more comfort with collaborative work environments than competitive ones. On the same note, many businesses are widely integrating social learning tools to increase collaboration in the workplace to accommodate millennial workers (Yeager & Callahan, 2016).

CSR concerns with phasing out unsustainable patterns related to behaviour, values, and assumptions. In this case, organizations' priorities include new learning processes to transform the society through individual and collective action. Akkuzu, (2014) suggested the need for quantum learning. Meanwhile, Johnson, Johnson, and Smith challenge Akkuzu (2014) by arguing that sustainability imposes challenges that transcend beyond a problem-solving approach, demand more action than just making the world around us manageable and with easy to solve problems. Instead, it requires an organized and more reflective thinking with the knowledge that the world is becoming increasingly dynamic and uncertain. Solving sustainability development disputes calls for the use of varying degrees of self-determination, autonomy, and responsibility to address (Johnson et al., 2014).

On the other hand, Li and McNally (2014) argue that learning cannot materialize in a vacuum, so learning requires a rich social context described by innumerable vantage points, power positions, interests, values, inequities and existential needs. Individuals need varying spaces to make own choices, initiate actions and take responsibility for such actions. The scenario presents social learning as a powerful tool to encourage the masses to adopt sustainable behaviours(Li & McNally, 2014). Most organizations would fondly hire celebrities to advertise their leading brands, and by so doing them, they create perceptions that appeal to a majority of households (Rana, & Dwivedi, 2015). By bringing on board personalities from different walks of life to share their experiences concerning sustainable behaviours, it will impact significant

behaviour modelling. In the long-run, they endorsed behaviour and processes end up being part of the consumer (Rana, & Dwivedi, 2015)

Studies on ethical climate theory explore various types of organizational ethical climates and how the latter influence decision making and behaviour (Ahmad, Yunus, Ahmad, & Sanusi, 2014). Ahmad et al., (2014) defines ethical climate by stating that an ethical climate depends solely on organizational form and the basis of this classification. In other context, organizations expect that social enterprises conform to an exemplary organization with a typical focus on team interest at the level which is more localized and social responsibility at a level which is relatively cosmopolitan. Ethical decision-making review by Hawley and Williford (2015) revealed increasing studies on the positive contribution of ethical climate to ethical decision making. Ethical climates helped to upgrade contextual moderating as pointed out by Johnson et al. (2014).

Social learning provides an opportunity for employees to influence the behaviour of co-workers through modelling. While substantial research directed to modelling social behaviour, modelling pre-social behaviour will ultimately follow the same processes (Yap & Webber, 2015). All economic agents must find ways of coming up with role models whose behaviour and attitudes would determine belief patterns and behavior for employees. Social learning through role modelling may give rise to conscious and unconscious components, but organizations need to concentrate on positive net effects (Pimmer, & Pachler, 2014). Today, many businesses offer programs with the aim of increasing exposure to information, as well as models which explicitly focus on ethical considerations, Askham and Rasheed (2015) pointed out. Companies embraced social learning by celebrating outstanding professionals to promote professional ethics.



Ensor and Harvey (2015) argued that firms assume the social responsibility to give employees opportunities for continuous learning to enhance efficiency and personal development. The workplace learning exclusively entails an outside-in approach, where the instructor provides the learner with ideas, content, and information. Ordinary learning, on the other hand, embodies an inside-out approach that is accelerated by the learner's desire to know. The desire in question can prolong to long-term or spontaneously generate from the past interaction or recent activity (Ensor & Harvey, 2015).

One way for businesses to present their CSR to their employees includes training them on work-related processes and methods to boost their confidence (Yap & Webber, 2015). Walumbwa et al. (2017) suggested for companies to make the employees learn through peer groups. More broadly, this does not replace the formal training, but rather overlap to enable the transfer of knowledge to fill in the gaps of formal training missed. Organizations should adhere to primary importance for current employees to exude organizational value along with behaviour to encourage entrants to model an exemplary behaviour (Sung & Choi, 2014). Lawson (2016) advocated for companies to consider giving new hires increased access to learning resources. At this point, experienced employees could offer expertise coupled with past presentations and research as a source of historical context (Lawson, 2016). With robust social networks, employers will ensure new hires utilize communication and collaboration forums for effective workplace learning (Nederveld & Berge, 2015).

Organizations will utilize SLT, due to the effectiveness of transferring knowledge. The concept builds on classical conditioning and behavioural modelling to bring about the desired outcomes. While the theory recognizes the various protocols in which learning takes place, it maintains that reinforcements alone cannot lead to effective learning (Streule & Craig, 2016).

Instead, social learning insists on the reciprocal determination as for the guiding principle in observational learning, as argued by Streule and Craig (2016). In the contemporary society, organizations will combine SLT and CSR, due to the responsibility of creating an appropriate ethical climate and initiating measures for sustainability (Christensen et al., 2014). In this regard, corporate training found SLT an essential instrument for modelling employee behaviour to create ethical and sustainable work environments (Wang et al., 2015). Furthermore, technology increased avenues for social learning through websites and social networks (Cooc & Kim, 2017). As shown in this section and further down, many researchers advocate the use of SLT, as opposed to traditional learning methodologies to enhance CSR.

## **Review of Literature**

### **Corporate Social Responsibility**

To start with, corporate social responsibility (CSR) includes numerous targets with the expert qualities and propensities other than the advantages examined previously. The obligation identifies with the progression plan. For instance, internally CSR shows signs of change in the business sector position; CSR builds up a collection of representatives who can be set at a specific level when somebody leaves the company for an international employee to get assigned. The idea is to have a transient substitution altogether of high-worth people (Carroll, 2015). The humble nature of an organization extraordinarily relies upon the occupation efficiency. If representatives relegate on drawing closer focuses on their knowledge, then organizations will realize the extreme outcome. Employing people according to their skills and expertise provides a critical step towards meeting the basic derivatives of corporate social responsibilities (Carroll, 2015).

Secondly, various nations actualize arrangements and control to change operation; to a significant degree, as well as financial reporting among other management functions (Haleem, Farooq, & Wæhrens, 2017). Organizations propel endeavours by the increased attention to current trends. Globalization enabled financial development exponentially alongside expanded welfare commitments in a few areas of the world (Haleem, Farooq, & Wæhrens, 2017). Management corporate social responsibility provides one of the essential viewpoints, as the resource realizes reconstructions by expanding market openness, rivalry, and fair competition (Carroll, 2015). The methodology gives viability and causes divisions to pick up concerning employment creation, expanded speculations, and increased profitability (Fazlida, & Said, 2015).

Thirdly, CSR opens representatives to all sectors of the organization. Operations considered fundamental for official capacities ought to be kept up for representative comprehension to adapt better to territorial and outside business sectors. CSR gives an opportunity to assess such strategies. Diverse issues that harvest up amid the procedure delineate in an innovative way (Chang, Kim, & Li, 2014). Moreover, CSR helps in an organization's most imperative system by building up a successful business, and an essential area of this development originates from business and contracts contribution universally. Accordingly, the part of corporate social duty includes the guarantee the accessibility of learning and experience, as expected to satisfy customer or business sector prerequisites (Chen & Hung-Baesecke, 2014). Strategists give better working to advance corporate social obligation as a basic segment of the initiative since the foundation includes vocation improvement. Organizations strategically place key people in deliberately imperative occupations to encourage and develop business associations, and CSR gives an opportunity to fortify such segments (Haleem, Farooq, & Wæhrens, 2017).

Likewise, Guadamillas-Gómez, Donate-Manzanares, & Škerlavaj (2010) argued that major corporations use CSR, as a source of competitive advantage within its industry. During the early 2000s, corporations implemented business ethics within conventional management strategies to stay competitive in the market. Due to prior market failures, organizations' corporate governance codes inscribed that the responsibility for the shareholders and the general welfare of the society falls upon the corporation (Guadamillas-Gómez et al., 2010). Guadamillas-Gómez et al. (2010) concluded a positive relationship between CSR and organization's competitiveness in the market. Due to their findings, researchers suggest other organizations in developing and implementing CSR plan, since the CSR activities improve the internal and external competitive context of the company.

Equally, globalization unavoidably gives an essential component and a global issue. However, CSR gives greatest ways to deal with increased difficulties and complexities associated with globalization. For expanding corporate profiles among potential representatives, organizations can heighten participation with foundations and colleges that enlist young experts (Chang, Kim, & Li, 2014). The holding of profitable workers gets to be sufficiently critical as employing required applicants. To hold workers in position, numerous components are urgent past compensation and remuneration. These include a harmony amongst expert and private life, straightforward profession improvement open doors, standard execution input, the supervision quality, and clear objective correspondence (Haleem, Farooq, & Wæhrens, 2017).

Similarly, CSR brings about a strengthening of the neighbourhood, national administration for associations that have a worldwide standpoint. These viewpoints concentrate on the improvement of a solid, territorial government group that layouts its destinations with corporate objectives and procedures. Organizations acknowledged that globalization gives a

financial development, exponentially alongside expanded welfare commitments in a few areas of the world. Administration CSR provides one of the essential most viewpoints, as the duty realizes reconstructions by expanding market openness, rivalry, and fares (Carroll, 2015). The methodology general gives viability and causes divisions to pick up on occupation creation, expanded speculations, and expanded wages.

### **The Sarbanes-Oxley (SOX) Act of 2002**

Pande & Ansari (2014) argued that in past decades, investors and some stakeholders, in general, suffered the cruelty of losing their investment in the hands of the chief executive officers whom they allocated the roles of agents to manage their investments. Prior 2002, organizations did not need to adhere to ethical rules. Sarbanes-Oxley (SOX) Act of 2002 guided on the interests of threatened investors who feared the loss of their billions of investments in publicly listed corporations or even in the privately managed businesses (Pande & Ansari,2014).

In the same way, Ge, Koester, and McVay (2017) illustrated the history of SOX. US Congress implemented the SOX Act of 2002 in the same year with the aim of protecting investors from the possible fraudulent accounting activities that could propagate by corporations. The main purpose includes improving trustworthiness in the money related reporting for public companies. Due to the purpose, publicly-traded organizations picked up the federal social responsibilities. The need to adopt the act arose following the numerous accounting, and corporate scandals stemmed from the reports in public organizations in the recent past. In this regard, SOX mandated strict reforms, such as financial disclosures from the corporations to prevent accounting fraud. The factors leading to the creation of the SOX comes from the malpractices witnessed in the early 2000s. For instance, when public disgrace such as WorldCom, Enron Corporation, and Tyco International PLC threatened to sabotage the

confidence of investors in financial statements, thus led to the demand of revising the regulatory standards (Ge,Koester, & McVay, 2017).

As Franklin (2016) illustrated all the scandals heralded by inaccuracies and fraud gave erroneous views of corporate financial position. Consequently, share prices fell, investors lost significant resources leading to loss of confidence in US Security. The Act contains eleven sections or titles that add responsibilities to different members of the board, to instituting penalties to defaulters of the Act among other provisions and deliberations (Franklin, 2016).

Conversely, Franklin (2016) presented that SOX requires the Securities and Exchange Commission obligate all the financial reports released by a public organization, certified by the organization's CFO and the CEO among other top management. Also, the certified financial reports, highlighted by the SEC Act of 1934 Sections 13 and 15, must occur before they disclose to the public. The certification process requires the two executives to state the accuracy of filings and contains a full disclosure of all significant deficiencies any possible fraud perpetrated and of the organization's internal control or by an individual with a substantial role in the preparation of the reports or the internal control system of the organization. Criminals will receive penalties related to misstatement of any kind with personal fines or executive jail time. By targeting the executive, SOX influences on the executives in their duties and particularly they agreed to spend substantive amounts of money in ensuring the compliance of their financial reporting. In the certification process, these CEOs and CFOs require an assurance of the accuracy of the financial data used in the preparation of the certified financial reports. Internal controls hold one of the primary means that organizations rely on to enhance sound financial reporting and other business processes (Taylor, 2011). Section 404 implanted in 14th of June 2004 and requires the filing of an internal controls report by the executive management (Franklin, 2016).

The report should contain Form 10-K; this form is a report of the results of over-viewing the company's business operations, like Dyer, Lang, and Stice-Lawrence (2017) mentioned in their study. The executive requires voicing its judgment concerning the effectiveness of the internal control the organization adopted and utilized in the completion of a given set of the financial report. Such judgment includes identifying significant deficiencies in the internal control that may influence the financial reporting process. This report must verify on its validity by the company's external auditor to ensure that the assertions made by the executive. An efficient internal control structure enhances confidence for the management executive that all the financial data utilized in the preparation of the financial reports required is accurate and a true reflection of the organization's operations (Dyer, Lang, & Stice-Lawrence, 2017)

Ge, Koester, and McVay (2017) say that the critical provisions of the SOX include the embedment in sections 302 and 404. The first one connects with management and certification of the financial statement, while the second part requires that auditors and management organize internal control by making reports of the adequacy of those controls. In addition to the mandates, the enactment outlines the requirements by IT departments with regard to electronic records (Ge, Koester, & McVay, 2017).

### ***SOX and the 11 Titles***

SOX established eleven titles for consideration and observation on the management of the business (Constandache, Crețu, & Chiru, 2016). The first title involves the Public Company Accounting Oversight Board abbreviated as PCAOB (Kimbell, 2017). The title included nine segments and established the PCAOB to avail independent watch and control of the public accounting companies that availed audit services (Kimbell, 2017). It also managed a centralized body which registers auditors and ensured strict compliance with SOX (Kimbell, 2017).

The title references to the auditor independence which provides for regulation of the external auditors and exposing instances of conflict of interest (Dhaliwal, Lamoreaux, Lennox, & Mauler, 2015). The body sets standards, assesses approval outlines and restrains the audit firms from undertaking other roles (Dhaliwal et al., 2015). The titles acknowledge corporate responsibility, and it enlists eight segments of which compel the senior management to take personal responsibility for the recording of accuracy and truth of the corporate financial report (Dhaliwal et al., 2015). It further elaborates the relationship between the external auditors and firm's audit committees.

The titles also enlist distinctive limits regarding the behaviours and conduct of the corporate officers distinguishing each penalty imposed on the non-compliance with the set regulations (Dhaliwal et al., 2015). For instance, the law compels the chief executive officers to approve the honesty of their company's financial reports quarterly (Dhaliwal et al., 2015). SOX demands enhanced financial disclosures, and it has nine separate sections, which demands advanced report of finances in specific financial transactions. It includes off-balance-sheet dealings, pro-formas and many other transactions such as stock transactions involving the firm's staff members (Fogel, El-Khatib, Feng, & Torres-Spelliscy, 2015)

SOX established Conflicts of Interest (COI) (Jamal, Marshall, & Tan, 2016). Jamal et al. (2016) argued for the importance of this title by entailing the purpose, which includes restoring the confidence of the investors especially in the analysis of the securities. The COI provides for the explanations of the behaviours of the security analysts and demands disclosure of all fathomable existence conflicts of interest (Jamal et al., 2016).

SOX also created Commission Resources and Authority, which entails four segments that provides for the enhancement of practices that ensures maximum restoration of the investor



confidence especially in the assessment of the securities (Martin & Michael, 2015). The act also mandates the Comptroller General and the SEC to conduct multiple studies. Both parties will need to avail their findings in reports such reports entails impacts form the combined accounting companies, the responsibility of credit rating bodies, instances of violating the securities and implementations of compliance (Fogel et al., 2015).

### ***Complying with SOX***

Johnstone, Gramling, and Ritenberg (2014) argued that before inspecting particular security controls on the information technology systems, organizations need to assess the organization's operation process that needs to comply with SOX. Mostly, this includes the Internal Audit division leading the pack and working closely with business process proprietors from every procedure that directly affects money related reporting information. Results are conveyed to a controlling council, which operates as an oversight body over consistency efforts. Initially, a level element evaluation ought to be conducted to survey the corporate level control environment. This evaluation ought to concentrate on the regulations and controls channeled throughout the business with the motivation behind guaranteeing the trustworthiness of money related reporting information. As far as data security is concerned, the substance level evaluation ought to concentrate on zones, for example, corporate system security and catastrophe recuperation planning.

The aftereffects of the substance level appraisal contain a bearing on the extent of the following stage, breaking down level procedure controls, as argued by Bryan (2017). Often testing verifies that the corporate level control environment at the particular element level functions appropriately and the possibility that at the procedure level, the control structure operates efficiently and effectively. Hence, auditors will perform less examine at the procedure

level. For instance, in the case of calamity recuperation arrangement exists and adequately covers every single basic framework, auditors will perform less investigation and testing at the procedure level to guarantee that particular information, such as the finance record or the records receivable document, can recover after it is lost or destroyed. Amid the level procedure appraisal, the control structure of all procedures that affect money related reporting information, organizations must archive and investigate for viability. Organizational activities proprietors trust on to share proceedings realizing, and this acts as the reason for report processing.

Liu, Lin, and Shu (2017) highlighted the importance of monitoring internal controls. Report processing incorporates making graphs and stories that design the system wanders, the general population, databases and applications incorporated. After the organization obtains the technique, the organization will plot risks and controls. After each fundamental methodology, and the relating threats and monitoring process, are delineated, the game plan of monitoring process must have striven for operational and design amplexness. It is crucial that the regulations are regarded as one instead of just a single reason. It is workable for the nature of one monitoring process to stand in the place of another's weakness. In case the affiliation has reliable logins and access controls at the entity level, it is unnecessary to undertake an essential investigation to confirm the feasibility of controls one and two at the methodology level. Additionally, control three cutoff checks are not applicable at the substance level and thus oblige trying to certify its working feasibility.

In the process to try the framework suitability, the reviewer can differentiate the blueprint of the control with the pest practice of the industry and set standards, as argued by Johnstone et al. (2014). Notably, if the financial reporting systems allude the users, the evaluator would break down control three, the affiliation's execution of limit check, to the best practice for these kinds

of limit checks utilized in accounting. If the organization arranges control accurately, then organizations need to undertake tests to evaluate whether controls' sufficiency, as argued by Haidong, Viksne, and Lunardi (2016). The authors state that, the test should incorporate getting to the inquiry for a system that guarantees that the purpose of repression checks supports a right hand's data in light of a developed arrangement of criteria. If the blueprint and operation tests pass the monitoring process passes, then the organization may regard as minimizing the first experience with the looking at threats. For this circumstance, the cutoff check minimizes the threat that an operator will enter wrong data into the requesting structures. A significant part of the time, the testing results at the substance and system level will show the efficiency of the created controls.

Popescu, Popescu, and Mangu (2016) argued that controls with complicated and tremendous inefficiencies present difficulty in overcoming by the proximity of an alternative control will need to fuse into a reverse course of action. This game plan consolidates information, for instance, the controlling and monitoring process and the contrasting technique. The connection should compose the reversed mastermind so that organizations will consider essential control cleft. By setting these controls to ensure the trustworthiness of accounting data, the accounting manager will obtain certainty, while affirming the accuracy of individuals. In case no material control inadequacies exist, monetary experts will decidedly gain inside organization's power report.

### ***Importance of SOX***

As presented in the prior section, the enactment shows importance in the business world. Businesses present as an integral part of the society, and their failure trigger worries to governments as many people become jobless, vast amounts of investment and saving dissipate in

the hands of people who are obliged to protect money. Some of the most significant corporate failures and scandals include Waste Management Scandal done in 1998, Enron Scandal exposed in 2001, and WorldCom Scandal exposed in 2002 (Ahmad, 2015). Corporate voracity includes one of the biggest calamities probably equitable to terrorism, as it triggers multiple psychological stress ranging from loss of jobs, loss of investments, loss of tax revenues, loss of products and services and loss of many other social contributions of companies.

McLean, Elkind, and Nocera (2015) described the losses that associated with the scandals. In the Waste Management Scandal unravelled in 1998 around \$1.7 billion deceptively recorded as earnings but were fake earnings to attract unknowing investors. This company deceived the investors to invest in them when it was making huge losses which they concealed. In the Enron Scandal exposed in 2001, stockholder lost \$74 billion worth of investments. Thousands of the company workers and investors lost their retirement benefits. Also, multiple job positions vanished (McLean et al., 2015).

### **CSR and SOX**

The corporate social responsibility (CSR), according to Suliman, Al-Khatib, and Thomas (2016) initiates the corporation to assess company's effects on people's wellbeing and the environment. In this regard, the CSR presents the corporate citizenship, as it involves the incurring of the cost that does not direct financial benefit to the organization, but alternatively promotes the environmental and social changes.

Comparatively, SOX deals with the concept of corporate governance that the public may find in the committees found at state companies. In this regard, the audit committee subjects to receiving wide leverage in the process of overseeing the accounting decision (Malik, 2014). In this regard, the audit committee consists of members who are independent of the management

and also having new responsibilities which include audit and non-audit services, handling complaints on management's accounting practices, and making the selection and overseeing of the external auditors (Malik, 2014). The relationship between the SOX and CSR includes the connection with the re-empowering of the corporate board of directors. In this sense, it made a shift between the perspectives that the board presents a direct service to management (Landry, Bernardi, & Bosco, 2016).

On the other hand, Fogel et al. (2015) argued that public companies may view SOX as costly since public companies undertake extensive internal control tests including internal control report together with the audits per year. The process of testing and documenting the automated and manual controls in the sector of financial reporting needs great effort as well as the involvement of experts in IT. In this regard, the compliance cost may become burdensome especially for the companies that rely on manual controls (Fogel et al., 2015).

### **Cybercrimes**

Due to the advancement of technology, organizations may need to put a little more resource in their internal controls to minimize cybercrimes, as argued by Mangala and Kumari (2017). Cybercrimes include crimes facilitated by the internet or committed through the internet platform (Albrecht, Albrecht, Albrecht, & Zimbelman, 2016). Cybercrimes take the form of fraud or unsolicited communication through the internet. In forensic accounting and corporations, the most common cybercrimes lead online money laundering or money stealing from bank accounts that also operate on an online platform. With the advance in the current technology and technological devices connectivity, cyber-criminal acts often portray anonymously and thus the criminals present as untraceable, yet cybercrimes occur; they can do significant harm in a given corporate sector. Currently, cybercrime present challenges in

controlling or preventing. Internet providers find it difficult to stop the criminals since it is not possible to detect all scams on the internet due to the large numbers of internet users. The result of this default thus encourages the involvement of corporate social responsibility by organizations that people have invested in and have entrusted them with their money (Albrecht et al., 2016).

### ***Impact of cybercrime on financial safety***

Cybercrimes related to stealing money from the public or selected individuals and institutions can conduct various methods. For instance, within organizations, identity theft presents specifically where the other employees rather than the executive or those authorized to access some information concerning the organization are impersonated. Unauthorized employees can access the organization's safe that requires the voice, eye scan or figure prints of authorized executive such as the accountant. The phishing scheme presents the most often crime techniques used by such criminals to ensure that they access the particular element required to open the safe. By falsifying as the actual person, the system lets them in, and they can do anything without detection (Konradt, Schilling, & Werners, 2016).

In addition to accessing the safe, hacking present cybercrime that facilitates accessing individual or private corporate information. Hacking in a personal electronic device, such as a computer, or a mobile phone allows a perpetrator to access personal information by prior input or used in the device. If the victim utilizes the same passwords, then the hacker freely accesses victim's accounts including email accounts and online bank accounts. In the corporate realm, the perpetrators often include employees of the victim organization and hacking into its financial information can result in immeasurable damage. The temptation presents the path to fraud, company overvaluation, creative accounting or only misappropriation and the result is a financial

loss or acquisition disputes following an overvaluation. Most often than not, management performs corporate hacking, due to the management's ill motives to benefit financially from the acts (Van de Weijer & Leukfeldt, 2017).

Likewise, intellectual property theft and piracy allow a perpetrator to pose as the owner of the property. Thus, the perpetrator can utilize the right granted by the ownership of any business operations. The corporate realm presents a common area for intellectual property theft and piracy since an employee can use a company's intellectual property and acquire private contracts in the name of the victim company (Beller, Lawrence & Lynn, 2014). All these crimes compromise with corporate ethics and organizations that suffer victims often fail to protect the business society they serve. If the intellectual rights show any compromise, then the perpetrator can acquire a contract to deliver a certain good or service to potential customers they approach with the false identity (Albrecht et al., 2016).

Nevertheless the customer gets into the contract believing that the person represents the said company and following past loyalty or business relations he is sure that the signed contract will be successful. Unfortunately, when the perpetrator disappears with payments from the customer, he does not only make the company vulnerable, but he also ruins its corporate image. The unintended consequence not only affects the company but also all the stakeholders. The company's downfall is also the downfall of the employees and the society at large since the company stops contributing to the economy. Larry (2012), in a research survey that sought to determine cybercrime victims in America in the between 2008 to 2011 found out that nearly 90% of the organizations that participated had been victims at least one time within the period while 65% of individual participants had been victimized through their internet enabled devices. In

2010, the research found out that nearly 70% of Americans reported cybercrime victimization in the various categories of crimes (Beller, Lawrence & Lynn, 2014).

Meanwhile, Posey, Raja, Crossler, and Burns (2017) claimed that US organizations reported 4500 fraudulent activities that related to personally identified information from 2005 to 2015. The researchers used the available data from US Bureau of Economic Analysis. Even though these organizations implemented some internal controls, cybercrimes still occurred. One of the major cause for these cybercrimes relate to financial means. As shown in Posey et al.'s (2017) data, 42.1% of the 4500 incidents, related to financial-data breach.

### ***Cybercrimes and forensic accounting***

The role of forensic accounting on financial crime encompasses investigation, detection, prevention, and correction. Forensic accountants encompass responsibility for auditing corporate financial and business records including tax statements with the objective of identifying information irregularities that relate to civil and criminal context. Forensic accounting combines criminology and accounting expertise to determine financial crimes such as fraud, the company overvaluation, money laundering, corruption, and insolvency. Thus, some of the forensic accountants' employment includes both private and public organizations as well as in police departments include evaluating financial discrepancies between employees and employer organizations, preparing witnesses to testify on financial crimes, financial auditing statement, forensic auditing and preparing audit reports (Albrecht et al., 2016).

Albrecht et al. (2016) claimed that forensic accountants follow cybercrimes. The massive number of cybercrimes presents an explanation that numerous people from all over the world could either take place as victims or perpetrators of cybercrimes. The majority of the results contain explanations on how technology experts and internet providers are committed to



eliminating the scourge. The majority of the investigations considered typically mention forensic accountancy as the primary tool fighting hard to determine how the crimes happen and the prevention (Albrecht et al., 2016)

Ablon, Heaton, Lavery, and Romanosky (2016) concluded that by 2019 the cost of data breaches would amount to about 1.3 trillion pounds in the world. Also, Ablon et al. (2016) concluded that by 2020, major corporate breach cost might average to 94 million pounds. Ablon et al. (2016) noted that the cybercrime detecting means to present an increasingly developing. The development portrays a hope for the community. For instance, following the advancement in computer forensic technologies, technicians may recover deleted data from a computer hard drive (Ablon et al., 2016). With such developments, the ability of forensic accountants to detect and trace fraudulent practices is possible, and thus they can determine extorted money to the hiding places of the criminals. Advanced software can trace the path of the transaction on each of the devices and even from one country to another, more even into the 'dark web' (Beller, Lawrence & Lynn, 2014). Due to their expertise in the field, this research will include forensic accountants as the participants.

### ***Fraud and financial crimes***

Computer fraud includes one of the major financial crimes that forensic accountants find themselves dealing with organizations. The fraud entails a dishonest misrepresentation of information and facts with the intention to refrain or cause another person to do something, and the results present a financial loss. The perpetrator benefits from altering information or data in an unauthorized way (Ablon et al., 2016). In forensic accounting, a major occurs when management alters accounting data, providing false data, utilizing unauthorized process or instructions which result in significant loss. A perpetrator may also benefit by deleting available

data concerning certain financial matters to avoid any discovery. Also, a very difficult to detect strategy includes suppressing or altering an output to cover the unauthorized transaction.

Extortion, identity theft, bank fraud, and carding include computer facilitated financial crimes. Social engineering and phishing on the other hand targets corporate and consumer (Krombholz, Hobel, Huber, & Weippl, 2015)

One example of financial crime includes money laundering. Money laundering in today's global financial institutions shows the primary means for financing criminals. Money laundering involves transaction that involves various financial institutions, which result in the production of multiple financial transactions. The transactions and intermediation involve different countries, and various financial instruments to complete a transaction. Ultimately, money laundering uses technology to conceal the proceeds from a criminal group that operate globally (Albrecht et al., 2016).

The four main motivations for cybercrimes, as argued by Kerstens and Jansen (2016) include fun, financial, revenge, and bullying. Due to evolution of technology many youths engage in the use of technology, thus, cybercrimes also target youths. From the participants, youth (10 to 18 years old) engaged in an online survey to answer their experience in various online activities. From these activities, 48.1% of the participants responded that the motivation for virtual thefts related to financial means. One of the factor for permitting these kinds of behaviors indicated in the absence of parents or role models and the supervisors' set rules. As shown in this study, CSR and SOX may help to minimize cybercrimes in organizations.

### **Literature Critique**

Even though supporters exist for SOX, as shown in the Literature Review section, a few researchers opposed SOX and did not favorably view this enactment, due to the organization's

reaction to SOX. Some organizations will not properly implement nor monitor internal controls, due to increased cost (Gupta, Weirich, & Turner, 2013). By not complying with the enactment, organizations demonstrate in not acknowledging their ethical responsibilities. In other words, opposed researchers argue that SOX did not affect CSR (Beggs & Dean, 2007).

As mentioned in prior sections, the main purpose for SOX includes the improvement of trustworthiness in the money related reporting for public companies. The enactment enhances federal social responsibilities that publicly traded organizations must observe. The need to adopt SOX arose following the numerous accounting and corporate scandals. Some of these scandals include the accounting scandals affecting WorldCom and Enron, and the corporate scandals affecting Healthsouth and Tyco International (Biggerstaff, Cicero, & Puckett, 2015). All these scandals stem from inaccuracies and fraud that gave erroneous views of corporate financial position. Consequently, share prices fell, investors lost significant resources leading to loss of confidence in US Security Markets (Chu & Hsu, 2017).

Also, SLT shows vitality in content delivery and effective behavioral modeling. SLT also established the need to design appropriate behavior and cognitive frameworks for studying behavioral models; however, the concept disconnects between behavior modeling and increased worker performance and overall productivity (Bavik, Tang, Shao, and Lam, 2017). Though SLT presents exclusively beneficial, it depends on the readiness of the learner to accept behavioral change (Bavik et al., 2017). SLT needs more research to explore ways increasing the learner' willingness to embrace social learning. More research in social learning should prioritize on the process itself, social learning outcomes and learning achievements to provide a holistic framework for the adequate evaluation of the concept.

Due to the conflicting opinions, this research will hopefully fill in the gaps. The problem statement of this study will research upon the organization's present issues due to cybercrimes, particularly due to public companies maintaining weak internal controls. Organizations need to strengthen their internal services that associates with corporate social responsibility in alignment with SOX (Rodgers, Soderbom, & Guiral, 2015).

### **Summary**

This section reviewed the Sarbanes-Oxley (SOX) Act of 2002 and corporate social responsibility about stockholders theory by Friedman (1970) and social learning theory by Bandura(1986, 1991). Stockholders theory displayed by Friedman (1970) argued that organizations' sole purpose includes maximizing profit. The reason for this focus stems to shareholders. Management will only act according to the shareholders wishes, which includes multiplying the organizations' value. Meanwhile, social learning theory presented by Bandura (1986, 1991) argued that employees will mimic actions. People will learn from each other as a result of imitation, observation, and modeling

The findings include that the essence of the Sarbanes-Oxley (SOX) Act of 2002 in intervening in the running of organizations as well as their roles in corporate social responsibilities contributed to improving governance through the incorporation by audit committees and improving the internal control and external auditing of companies.

The relationship between the SOX and CSR includes the appointment of a leader to present a role model for the employees. Through the role model of leaders, the organization may comply with the enactment. The basis of the relationship stems from the wealth of stockholders and social learning theories, which further supports the relationship between the two topics. The literature review provided an overview of the interaction between SOX and CSR may minimize

cybercrimes by implementing a strong internal control; however, this field still needs further studies. Due to the advancement of technology, questions still remain in the end result of the effects of cybercrime related to financial activities. Also, through the literature review of supporters and detractors of SOX, one can see a gap that this study will fulfil. Further studies will help to understand cybercrimes that relate to financial safety of organizations and whether corporate social responsibility can suppress the appetite for cybercrime practices.

### Chapter 3: Research Method

This study aimed at analyzing various sources of information to investigate that compliance with Sarbanes-Oxley Act shows any influence on the companies' initiatives on social responsibility. The Sarbanes-Oxley Act (SOX) created Public Company Accounting Oversight Board (PCAOB) to oversee the audit committees of US publicly-traded corporations. Sarbanes-Oxley 2002 (SOX) started a sound basis for the development of ethical standards for companies to comply. Different companies hold distinct perceptions regarding what business elements classify as socially responsible, and even though some organizations perceive some applications, as difficult to manage, organizations hold corporate social responsibility elements as a priority (Carroll, 2015).

The problem statement of this study is associated with organizations present issues due to cybercrimes, particularly due to public companies maintaining weak internal controls. Organizations need to strengthen their internal services that associates with corporate social responsibility in alignment with SOX (Rodgers, Soderbom, & Guiral, 2015). Meanwhile, the purpose of this concurrent nested study explored weak internal services that associates with corporate social responsibility for publicly-traded corporations

This study was both qualitative and quantitative that will utilize a concurrent nested design to analyze pertinent findings. The study applied systemic review in surveys, abstracts, methodologies and discussions of different journals and published articles. The selected studies for the evaluation process and surveys from 11 forensic accountants with a LinkedIn.com account derived data for explanation purposes. The study answered these questions:

**Qualitative:**

**Q1.** What are the roles of CSR within the organization and what are the impacts of these functions on countering the internet and automated systems malpractices by stakeholders that may result in financial losses?

**Quantitative:**

**Q2.** To what extent, if any, does cyberspace and cybercrime have impacts on the financial safety of organizations?

**Q3.** To what extent, if any, does corporate social responsibility have impacts on cybercrime practices that result into financial crimes?

**Hypothesis**

The hypothesis for this study include the following:

**H1<sub>0</sub>.** Cyberspace and cybercrime do not have any statistically significant impact on financial safety of organizations.

**H1<sub>a</sub>.** Cyberspace and cybercrime do have statistically significant impact on financial safety of organizations.

**H2<sub>0</sub>.** Corporate social responsibility does not have any statistically significant impacts on cybercrime practices that result into financial crimes.

**H2<sub>a</sub>.** Corporate social responsibility does have a statistically significant impact on cybercrime practices that result into financial crimes.

This chapter focused on the proposed research methodology and design, population and sample, data collection and analysis, materials and instrumentation, and any limitations from the study.

## Research Methodology and Design

This study adopted a mixed method. A qualitative study approach aimed at providing at exploring a specific human behavior and factors that contribute to such behaviors (Creswell, 2009). In a qualitative model, the researchers seek past studies that align with the researchers' theory for confirmation and support on their conclusion (Golashani, 2003). Qualitative studies go past confirming and comparing one study to another study. Invariably, researchers study and explain on the exploration of the phenomenon in a qualitative study (Krathwohl, 2009). The researchers would also need to perform certain actions to ensure their study is trustworthy (Krathwohl, 2009). Another concern that relates to a qualitative study includes the result's validity. If the study does not provide the appropriate information, then the authors did not conduct the study appropriately (Golashani, 2003).

On the other hand, in a quantitative research study there is determination of what happens in a general population. This type of data is easy to collect since it used coding, and the data analysis is equally easy since it uses empirical data. The main disadvantage of this type if data is that the sample size required is normally large (Boddy, 2016). As opposed to a quantitative study, the qualitative study focuses on a limited amount of participants. The prior statement leads the conclusion to generalize a particular population (Onwuegbuzie & Leech, 2007).

This study used a mixed-method, which combines both qualitative and quantitative methodology (Venkatesh, Brown, & Bala, 2013). As described by Venkatesh et al. (2013), researchers may utilize a survey in a mixed-method, an example of a mixed-method current nested design that will play an important role for this study. Researchers may utilize the survey to provide a quantitative support, but at the same time, researchers may use a theoretical approach. In this design, only one set of data supported the conclusion and assisted in the



investigation. This action increased the researcher's conclusion, due to the supporting results (Venkatesh et al., 2013).

For this particular research, survey responses were used to collect the questionnaire-type survey perception about the chosen research topic's quantitative questions. In the mixed-method research of a concurrent nested, the participants consisted of an online survey with 11 forensic accountants that provided service with a LinkedIn.com account. Therefore, for this study, the responses were used to examine the proposed objectives where the researcher began the study from a broader perspective and reach concrete results of the survey.

The importance of holding a specific research design for the theoretical formulation is to bring about effective research on the given topic (Adamos & Nathanail, 2016). If there is an appropriate support system present regarding introduction, background, research statement, research questions and significance of the study, outcomes can be designated, and the study regulations can be modified in a better manner. The research design is a process of information collection in a sequential manner along with the assimilation of professional acknowledgments and tendencies. The research design is cultivated for a systematic collection and collaboration of thoughts, and this will prove out to be helpful enough in the future for the estimation and calculation of combination systems.

The research significance and problem statement can highlight the substantial amount of information about the possibilities of CSR outcomes that organizations may incorporate in the future. Due to the advance of cybercrimes, organizations need to practice safety (Epps, 2017). The method of conducting the research and reporting the reviewed outcomes has been considered flexible enough for different strategies and it is very much practical and conducive to be replicated in future forms of studies as well.

The process of the study's analysis involved in a creative manner, so there was a diversity of occurrences from different organizations (Ridder, 2017). An opinion convergence was brought about later on with the analytical and systemic understanding of approaches. Professionals and individuals that were involved in the sequential learning and directional characteristics brought a perspective of information, which was supposed to have the accurate options for every discussion and rationalization. When the literature researchers were approached, and answers were observed as deliberating enough, narrowing of research outcomes attained and deduced in a collective manner.

To conduct a research study, the most significant elements will involve the organized manner including the selection of an appropriate research approach. Alase (2017) defined the research approach as the specific direction that the study uses in line with the research method. The importance of approaches includes the usage of the researchers for accomplished the proposed research aim for example inductive research approach and deductive research approach. An inductive approach seeks to provide an explanation of the phenomenon and to end with a theory that explains it (Malterud, 2016). It is the bottom-up approach. The alternative is a top-down approach which is a deductive study that researches a particular issue based on the research questions that exist in the study (Malterud, 2016). This type of study is important because it provides clear answers to research questions or hypotheses based on the information collected (Brady, 2008). The deductive approach adopts reasoning from one or more premises to arrive at a specific logic conclusion (Malterud, 2016). As the study intended to determine that compliance with Sarbanes-Oxley Act has a positive influence on the companies' initiatives on social responsibility, the deductive approach was selected to be the approach of the study.

## Population and Sample

### Population

The population for this particular study included 946 forensic accountants that reside in all of the 50 states of United States and its territories, as presented in LinkedIn's search results, as shown in Appendix B. For the quantitative part of this study, the researcher used a simple random sampling method to access and selected the accountants who will respond to the questionnaire surveys. These participants were selected from LinkedIn.com. The participants included any person that has a job title of forensic accountant with or without the fraud examining certification. Another filter was that participant must be working in the U.S. and its territories. The location allowed the study to minimize foreign rules and regulations and focus on US' rules and regulations. Due to these filters, the goal consisted of obtaining a high volume of participants. Thus, this study did not contain a ceiling nor an exclusion on the service type of the participant nor the years in the market as long as they have a job title that says forensic accountants. Also, the study did not select only one specific organization to provide a broader scope. The study did not exclude the professional certificate(s) that the participants may hold.

Due to low volume of selected participants involved for this study, an external source for selecting participants further assisted in this study. In conjunction with the surveyed participants, this study also utilized prior peer-reviewed journals to support with this study's conclusion.

For the qualitative part of this study, the research technique which was to be implemented has been explained by the structural communication and networking of different organizations that are using CSR outcomes for their approval. A systemic literature review has been designated for data collection for the qualitative portion, and the process is based on different sequential elements and information arrangement that is suitably adjusted (Lambert & Lambert, 2010).

According to the process of systemic literature review, the research design compiled all of the important studies that are associated with the acknowledgment of CSR and its impact on the new phenomenon of cybercrime in forensic accounting. Highlighting and identification of literature being researched was going to be carried out with the help of different online databases that are effectually applicable.

In addition to the involved participants, another applied systemic review included abstracts, methodologies and discussions of different journals and published articles. Studies that are optimally involved with the estimation of evaluations and additional explanations were formulated for the methodology, as well. The selected studies for the evaluation process involved for the explanation purposes.

The process of the study was involved in a creative manner, so there was a diversity of occurrences from different organizations. An opinion convergence brought about later on with the analytical and systemic understanding of approaches. Professionals and individuals that were involved in the sequential learning and directional characteristics were able to bring about a perspective of information which is supposed to have the accurate options for every discussion and rationalization. When the literature researchers are approached, and answers are observed as deliberating enough, narrowing of research outcomes will be attained and deduced in a collective manner.

### **Sample**

The population for this study consisted of 946 forensic accountants that reside in all of the 50 states of United States and its territories, as presented in LinkedIn's search results, as shown in Appendix B. According to G\*power, the sample for this study shows 11, which consists of 80% confidence level, 20% margin of error, and 50% of the potentially qualified

participants participating in the study. Emerson (2016) argued that studies will not provide 100% accuracy, due to limitations. The study accounted for limitations, so the study dropped the confidence level to an appropriate level. According to Emerson (2016), researchers should utilize at least 80% confidence level, before providing a conclusion, especially for studies with low number of participants.

Two of the major methods implemented for sampling was searching for literature reviews between 1997 and 2014, and surveys from forensic accountants to collect the answers. Due to low volume of responses from the surveys, the literature reviews further supported the study's data. The initial purpose was to utilize research through email invitations only, but the database search was thought to have potential advantages regarding institutions, organizations, and characteristics of particular CSR outcomes.

Due to low responders, the databases were implemented to get a considerable number of information through which theoretical frameworks can be deduced. Searching databases online where the option considered for the purpose as prior researchers added positive and constructive material for the developmental options. Researches that had stronger technical and applicable backgrounds were associated with the process and multiple resources provided sufficient information and confirmation of such accommodations (Goel, 2010).

Background information for the literature searches was involved with the criteria of online selection and database arrangement. With the help of email transactions and additional professional assistance, facilitations of qualified individuals added to the research. Literature search, being in a particular state of time were beneficial enough as informed consent for the derivation of information was brought about. If there was an additional amount of information

required, it was provided and supplemented by the resources through prompt communication methods and feasible assistance.

This form of strategy was designed to have effectual outcomes on the properties of papers that are being checked for usefulness and effective outcomes as the professional contribution of themes and analysis of knowledge terms is carried out in an effectual manner. Research questions and hypothetical statements were kept into consideration for the process as well as there has been an estimated amount of constructive work in the field of information and technology and data mining for the purpose. Taking into account different perspectives and classification of ideas is essential for a better literature review survey methodology.

Literature search strategy was provided in the literature terms that are associated with the context of research development concerning data mining and CSR outcomes for the purpose. The context of searching information was important enough as this contributed in additional work representations as well.

The search strategy carried out with the help of relevant keywords that were affiliated with the research developments and reflections of connected nature. Different contributions with other works were identified for major outlining of information regarding CSR outcomes. Qualitative and quantitative studies along with meta-analysis reports were included from online website research for the identification of additional research members. The researcher had the provided list of databases and searches that were carried out for the purpose.

Researchers and professionals that were authentic regarding their explanations and professional capabilities were implemented to withdraw information from the study. Any study comprising incomplete information and research participant involvement were excluded as the main goal of this study is to highlight the significance of CSR outcomes in data mining and

weighing procedures. Creating a managed discussion amount was informative and effectual as it was only possible for the credibility and response notions of research questions.

Keywords selection is a process which is brought about initially when literature review search is carried out for the process as CSR outcomes involve classifiers and their functionalities. To outline effectiveness of these classifiers, it is important that the knowledge is searched, selected, optimized in similar methods. As prevailing information is being outlined for the analysis, stocked and data mining developments are elaborated within literature review. Keyword search is essential to know about the things that are arranged in an organized manner because, in this manner, a sequential and orderly advancement of search strategy will be placed and implemented (Neill, 2017).

Keyword search was not merely important to designate which aspects of research will focus the combined method and their implementing approach to structure the better aspects of organizations and their cultivations. Literature review search for the purpose can be considered the appropriate most approach as it causes an alignment in the requirements and criteria which are offered without any hassle. Forecasting is another method through which information can be delivered since multiple studies involve statistical analysis of ideas and can cover for mistakes if there are any. Keyword research along with professional recruitment of information is going to be an effective application. It is also going to cover for the fluctuations during the process as multiple dispositions as well as uncertainties are involved during the processes which are to be considered (Neill, 2017).

Keywords can be selected on both the short and the long terms, and the process becomes even effectual and compelling because these determine the types of research that will be managed by the process. For example, if the purpose of keyword research is in the formulation of

designed inclusion criteria, the results commenced will be accurate and prompt. Keywords can be determined with the help of already existing research or through professional contributions both (Sunny & Angadi, 2017)

In any research study, the researcher used the sampling method to collect a sample of participants from a population in the quest to determine the perceptions. Two types of sampling methods were used in different studies, purposive sampling method and random sampling method. Generally, the sampling method was adopted by the researcher according to the nature and requirements of the topic of study. In this study, questionnaire surveys were used and thus, random sampling was used to select the 11 forensic accountants chosen by the researcher. This method of sampling allowed for equal selection chances of the target respondents in the survey. Simple random sampling will be effective, as it provided all the study participants with equal opportunities to participate in the study. Random sampling also reduced the incidences of study bias alongside making the study highly representative of the whole population of the investors in the private sector (Dobson, Woller-Skar, & Green, 2017). Dobson et al. 2017 argued that the sample size is also important to provide the estimation basis of sampling errors with the implication of data distribution and estimation methods. Reducing the study bias enhanced the validity and reliability of the study, thereby, its replication.

### **Operational Definition of Variables**

The study utilized a five-point Likert scale for an interval level scale to analyze the mixed-method study. The survey consisted of close-ended questions that geared towards the topic of the study. The researcher collected the exact responses from the respondents. This method assisted in gathering information to answer the research questions on the relation between organizations' internal controls and corporate social responsibility activities.



## **Materials/Instrumentation**

This study utilized a concurrent nested analysis research method. For conducting any study research, an instrument is a tool for collecting the survey data set. Surveys were carried out by the researcher in the collection of primary data for the study from the selected target research participants. A questionnaire was designed with clear, well-defined, and comprehensive closed-ended questions. A structured questionnaire has questions related to the topic of study focusing on exploring the influence of the Sarbanes-Oxley Act on the companies' initiatives on social responsibility. The surveys were generated from [surveymonkey.com](http://surveymonkey.com), as shown in Appendix A. Using a five-point Likert scale, the researcher collected the exact responses from the respondents. Each of the 11 individuals were issued with an inquiry document to complete alongside the participation in the interview. A consent form to show agreement to participate in the study was distributed to the participants and the researcher ensured confidentiality and anonymity of the participants in maintaining their privacy.

In addition to the interview, the study evaluated several cases of corporations that have experienced technologically facilitated accounting scandals within the last decade. The research concentrated on evaluating the causes of the scandals and how technology was used to complete the accounting scandal and to cover up the trails thus making it hard to investigate.

Inclusion criteria for the purpose of identifying different literature searches that have been published during 1997 and 2014 were implemented. Published reports, peer review journals, and reports from statistical acknowledgments were applied for the cause. The studies that are expected to be outlined were selected by involvement and fulfillment research purposes. Research objectives and aims were calculated in a manner that these reports and online databases and their searches are outlined in a positive manner. Studies that were integrated with data

mining procedures in information technology sectors were to be determined. A single publication from an individual source was selected for the cause, as there was a categorization of information in different journals and publications. Studies can be associated with firms of different forms and functions including e-commerce websites and several other logarithms-based programs. Studies from online databases can be qualitative, quantitative or both.

The studies regarding their effective nature and qualities were determined and analyzed for different procedures, with the help of multiple advancements and ideas of rehabilitation. It implements programming of different assortments, stocking the right amount of information and elements of management. If such actions and methods are not applicable, different forms of balances and checks are there to ensure that the strategic evaluations are brought about in a particular order. Research evaluation is done with the help of different quality frames as information purposes are affiliated with communication links and databases (Bearman, 2016).

Actions for assessment are kept informative as well as vitally balanced taking into consideration that there are no weak points associated with overall research strategy. There is a checking system brought into an order which depends on the professional and online recruitment of information. This amount of information can usually be kept in check to keep the program, stable conformations that are mediating advantages in a constructive manner.

Information on CSR outcomes were approached keeping in check that there was a recording of reliable distributors across the region. Supervision was required of the potential professionals that are recruited for the purpose since they have experience in the field and they can designate the amount of focus and direction that is needed to bring about the study successfully. The amount of materials that was linked to the study is taken into account, and they

were ensured of their reliability and configuration systems because organizational environments of different information technology networks were different (Bearman, 2016).

### **Study Procedures**

The respondents were issued with the survey questionnaires consisting of close ended questions that they had to respond. The 11 forensic accountants were allowed with a week for the completion of the survey where surveymonkey saved their responses. Output from the questionnaires were analysed to determine the correlations between their responses on types of influences of the Sarbanes-Oxley Act and their effects on social responsibility. This data collection method aimed to gather data of large amount through a method that was less time-consuming and with effective (Regmi, Waithaka, Paudyal, Simkhada, & Van Teijlingen, 2016).

The current study data relied upon the research carried out before the current study or literature review from scholarly studies. The data in the current study through a search of literature comprised of the information related to the types of influences of the Sarbanes-Oxley Act and their effects on social responsibility. This consideration of literature and the examination of various scholarly studies were analysed critically to obtain evidence on the subject, which then enabled the validation of the current study findings by the researcher.

### **Data Collection and Analysis**

The survey questionnaire aimed to investigate whether the managers in different organizations believes that Sarbanes-Oxley Act has influenced a positive impact on the effectiveness of the organization to curb cyberspace and cybercrime on their financial safety. In addition, it investigated if corporate social responsibility has an impact on curbing cybercrime practices that result to financial crimes. To draw out the pertinent and important purposes in the meaningful connotations and conclusions from the collected data in the study, a data analysis

was conducted to get the results through the SPSS Statistics software. In the current research study, the obtained data went through an analysis based on the theories from literature studies. Based on the thematic analysis of concepts the technique analysed the codes noted in the data where they represented the important points to be considered and the procedures used in obtaining the themes. The recurring patterns and themes was deduced from the data and then developed for presentation of the information.

Following the concepts indicated in Creswell's (2009) study, this study utilized a data analysis technique constituting of three stages. These stages were based on reducing data, using content analysis to do a thematic analysis of data, and drawing of valid conclusions. In reducing data, the analysis simplified, focused, and obtained thematic value and content of the data by response abstraction and their transformation into useful and brief information. This also involved the capture of relationships between ideas and the related variables (Hidenori, 2016). Therefore, the study presented the results in a descriptive form which then projected as an enhancement of content and comparative analysis to facilitate the subject's understanding. The conclusion then drew on the valid and relevant conclusion from the analysed data by the research to provide answers to the research questions and met the objectives of the study.

Literature relationship in the initial stages of methodology was included in the data collection, after which it was determined that there is no significant association between the potential participants and the members included in the researching team of this study. Through this methodology, the participants were supposed to collect the data as well as information from those who had the capabilities to give consent on their own. The information technology personnel who were not able to do so were not included since the initial stages of participation. To undermine the barriers involved in the study, support systems and assisting structures, a well-

thought-out and professionally made database was developed which detailed an outline to highlight the major real causes and reasons involved behind obstructions to secure future references. After a recorded form of this data collection is established it can be effectively used for understanding and designing effective layouts of information technology as to which standards and marketing tendencies should be followed to benefit the subject under learning.

### **Assumptions**

According to Schulz and Toni (2017) assumptions form the basis of any research study constituting what might be taken for granted by the researcher. Furthermore, the assumptions can be viewed as what is accepted to be true by the researcher without proof. For this research study, the following were the assumptions made:

1. The participants provided answers that focus on the positive influences of the Sarbanes-Oxley Act with regards to company initiatives
2. All the participants held a job role as a forensic accountant

### **Limitations**

For every study, there must be limitations or problems that the researcher identifies (Creswell, 2005). Since this study has focused on answering the research questions, the research is bound to face some challenges. First, there was a likelihood that the study will face the challenge of inadequate response rates of the participants making the execution of the research was effective. This included the refusal to participate or the refusal to answer some of the survey questions. Also, the study may fail to acquire a significant number of study materials and willing participants. This will influence the overall representation of the outcomes of the study. In another way, there was also the challenge of lacking consent or acceptance from some of the

organizations and their management based on their utilization of SOX. Although the study has not yet begun, such challenges may ultimately affect the procedures and the outcomes.

To counter these challenges, it was important to ensure that the participants were selected on free consent where they were informed of the research and the expectations from the surveys. Seeking approval and proving that their confidentiality and anonymity was maintained will play a big role in ensuring that the participants have the willingness to fully participate. By choosing the participants efficiently, the possibility of bias or lack of answers was reduced.

For the sake of this research study, some discretion to the work was mandatory and essential, therefore in this study; confidentiality was impeded to the fact that personal information and statistics can never be revealed without the written consent of the researcher. This step was also very important to carry out the research because it can be very tricky to have consented in regard to the research work; it can cause some serious conditions that are very complicated. These can comprise a substantial time amount to be strategically formulated. For the implementation of discretion in the study, the data collected from various resources was unregulated, and any information about any participant was prohibited to be established from another person.

It was wise to conceal the data requiring anonymity to prevent the readers from identifying the research participants and researchers. This step was done to keep the isolation barrier intact between the literature belonging to a particular firm or organization or a place which is for superior reputation for them to be at. Each of the research participants was allowed to provide the researcher with a piece of information about the information technology business so the relevant information can effectively be used on necessary decision-making insights of the methodological market itself (Zhang & Qiang, 2017).

The validity and reliability of the study was very important factors in detailing the research findings and to prove them creditable. The truthfulness of a study's result was its validity and tests were referred to the true measurement of research according to the expected dimensions without being prejudice from the study searches. On the other hand, the reliability of any study was the repeatability of the study results being produced continuously over the period under similar conditions of methodology, instrumentation, and design (Peshori, 2015). The validity of any research result is of two types: internal and external.

A study result will be considered of validity when it is authentic or commendable. The internal validity of any study can be affected by some factors which may include bias selection of research examinations and their unpredicted failures from the study. The bias selection of the research material can be addressed by doing a random selection of study subjects which must always be based on qualification standards while the internal validity threats referring experimental mortality can be resolved by making proper commitments to the time of research and timetable. The validity of external nature denotes to the limitation to which findings of research can be comprehensive to the population overall. Factors which may threat such validation includes interface outcome of evaluation in which pre-testing effects the examinations to react contrarily for the regulatory purpose.

Another element responsible for affecting the validity of external nature is the reactive outcome of experimental setting where the searches may respond in a different behavior in different researching background. The dangers of everlasting legitimacy about collaboration impact of testing can be tended to through examinations in the trial study which were not chose for going before authority study. The outside legitimacy dangers that worry Reactive impacts of test testing can be tended to by permitting the pursuits to persist being unidentified, so they can

share their ideas on a more candid basis. International financial companies and organizations are considered for the international transactions as well as mediation of worldly opinions and comments regarding multiple multinational companies.

Contextual investigation research strategy has a few confinements, for instance, it is much of the time unreliable for the nonattendance of exhaustiveness; it permits uneven points of view to affect the heading of the finding. Second, logical examinations offer alongside no reason to the exploratory theory since it uses a few number of subjects, some coordinated with just subject. Third, logical examinations are every often set apart, hard to lead and making a tremendous measure of the reporting process. Specifically, reasonable investigations of ethnographic or nature can move a great deal of data in a short period. The danger comes exactly when the data is not regulated and handled proficiently. Usually, logical examination system is criticized for its dependence on a lone case review, which makes it difficult to make a comprehensive conclusion. Likewise, target setting, and parameter establishment of the investigation are essentially more fundamental if study system uses a significant sample size.

### **Delimitations**

The primary delimitations of utilizing contextual analysis research configuration are that it allows the examination of the information that is regularly organized inside the setting of its utilization that is, in the condition which the movement happens. Coherent examinations may be intrigued in the process by which a subject respect a certified substance. To investigate the techniques the devotee utilizes, the examiner must watch the subject inside her surroundings. Secondly, varieties as far as natural, instrumental and aggregate ways to deal with contextual analyses take into consideration both quantitative and subjective investigations of the information. Some longitudinal investigations of singular subjects, for example, depend on



subjective information from diary compositions which give illustrative records of conduct. Then again, there are likewise various contextual analyses which look for proof from both numerical and straight out reactions of individual subjects.

By noting the challenges of the research, the boundaries of the study were understood by the researcher. These delimitations impact the external generalizability or validity of the study results.

1. Participation in the research were delimited to forensic accountants with a LinkedIn.com account that reside in United states and its territories; generalizing to other accountants will not be sufficient.
2. The efficacy of the survey instrument were determined as viable and reliable to ensure that the results are effective

### **Ethical Assurances**

According to Dooly, Moore, & Vallejo (2017). when conducting any research study, it is important to consider the ethical issues that will be involved. Thus, the researcher will first have to ensure to get consent from the participants to indicate that there will be no forceful or coerced information from the interviews. By seeking approval from the participants, the research was conducted ethically. This also involved maintaining the confidentiality and anonymity of the participants where the survey questionnaires did not require their names of organizational affiliations. This proved to be significant in getting information that is not biased and assuring the participants of their data protection.

### **Summary**

The use of literature review and real case studies was critical in ensuring that the study satisfactorily answers the research questions and thus validated the findings. The research paper

used literature review techniques for data collection, and the process was based on different sequential elements and information arrangement that is suitably adjusted. Therefore, the research design used both questionnaires and literature reviews. Sampling, on the other hand, was based on whether the selected company has been involved in an accounting scandal or executive related financial crimes. However, the period for the selection of the case studies was restricted to a period within 2010 to 2016. The research paper observed research ethic by strictly including only the information that was available in literature resources which included articles, journals, books and the internet; the study excluded any information that would adversely affect the corporate image of the exposed corporate in accounting scandals.

The study's findings stemmed from analysing various sources of information to prove that compliance with SOX and the positive influence on the companies' initiatives on social responsibility. Using a mixed-method study method of a concurrent nested, the deductive approach was selected to be the approach of the study. A questionnaire generated from surveymonkey.com was used to collect data about the perception of the participants about the chosen research topic's hypothesis which was conducted on 11 forensic accountants selected from LinkedIn.com and affiliated with organizations that follow the Sarbanes-Oxley Act. The study results were expected to highlight significant information on the possible outcomes of CSR being incorporated within organizations to counter the internet and automated systems malpractices by stakeholders that may result in financial losses and how it can affect the regulations and functionalities of data mining in the information technology framework.

## Chapter 4: Findings

This chapter presents findings of the study, which was carried out to establish the relationship between CSR and SOX as far as cybercrime and cyberspace are concerned. Cybercrime and cyberspace activities may result in a financial loss in an organization. Therefore, this study used ten variables to aid in the description of the company's effort to seal any loophole that may result in cybercrime activities leading to financial loss. The research is categorized into six parts; introduction, validity and reliability of the data, results, research question/hypothesis test, evaluation of the findings and summary.

Under validity and reliability of the data; reliability coefficient (Cronbach's alpha coefficient) was used to reveal how measuring variables/item are related to each other. Reliability test helps the researcher to establish internal consistency and stability of the data collection instrument to measure concepts (George and Mallery 2003). Under results; tables and bar charts with brief and precise description are used to report the findings on ten variables considered in this research. The findings rely on the quantitative data from the primary sources to a large extent. The analysis and result presentation are done in a manner that is in line with the objectives of the study.

The principal purpose of this research was to establish the relationship between CSR and SOX based on financial crime resulting from cyberspace and cybercrime. Under the evaluation of the findings; discussion, interpretation, and speculation about the outcomes as reported in the result section is presented. Also, the assessment of findings is also in line with the primary purpose of this study. Lastly, chapter summary of the findings is also shown to emphasize significant results of this study.

The purpose of this mixed-method study with a concurrent nesting approach exploring weak internal services that associates with corporate social responsibility for publicly-traded corporations. This study investigated the relationship between CSR and SOX based on financial crime resulting from cyberspace and cybercrime by answering the research questions and validating the hypothesis.

### **Trustworthiness/Validity and Reliability of the Data**

Respondents' responses on all variables considered in this study were subjected to reliability test to establish the consistency of data collected from primary sources. As stated by George and Mallery (2003) reliability test helps the researcher to establish internal consistency and stability of the data collection instrument to measure concepts. Also, reliability test helps the researcher to understand the goodness of data collection instrument. Each variable/item's Cronbach's alpha coefficient was computed in the analysis software.

Reliability coefficient (Cronbach's alpha coefficient) was used to reveal how measuring variables/item are related to each other. Reliability coefficient (Cronbach's alpha coefficient) was considered based on the fact that it presents unbiased estimates about the test variables.

Reliability coefficient (Cronbach's alpha coefficient) ranges from 0 to 1; Values close to 1 implies that there is greater internal consistency while values close to 0 indicate that there is little internal consistency. As recorded by George and Mallery (2003) “ $\alpha > 0.9$  – Excellent,  $\alpha > 0.8$  – Good,  $\alpha > 0.7$  – Acceptable,  $\alpha > 0.6$  – Questionable,  $\alpha > 0.5$  – Poor, and  $\alpha < 0.5$  – Unacceptable”

A questionnaire with ten variables was considered as data collection tool in this particular study. The tool was designed in a manner that is brief but precise to the purpose of this study (Gray 2003). This was achieved by following certain predefined steps: the first set of more than 35 questions exhausting the area of study was developed. Secondly, the questions were put under

discussion to eliminate those that are unnecessary. Some question had the same purpose. Therefore, they were merged. This led to a reduction of the number of question to 21. Thirdly, a pilot study of 5 respondents was carried out, and exploratory factor analysis test was done to remove some of the questions which have minimal significant to the study. This resulted in a reduction of the number of questions from 21 to 10.

Therefore, the researcher has very reason to claim that the tool used was valid and reliable for this particular exercise. The results that were generated from the data collected by use of this tool are dimed to reflect the actual scenario on the ground (Hooper 1997). These results are highly recommended to be adopted by the relevant consumers. In this case, consumers include stakeholders and key players in the financial and ICT sector as a whole.

A total of 11 respondents participated in the quantitative data collection exercise. There was 100% response on all (10) variables considered in this research except one variable (variable number 9 on the questionnaire), which had 27.27% response rate.

#### **Qualitative Question:**

**Q1.** What are the roles of CSR within the organization and what are the impacts of these functions on countering the internet and automated systems malpractices by stakeholders that may result in financial losses?

#### **Quantitative Questions:**

**Q2.** To what extent, if any, does cyberspace and cybercrime have impacts on the financial safety of organizations?

**Q3.** To what extent, if any, does corporate social responsibility have impacts on cybercrime practices that result into financial crimes?

## Hypothesis

The hypothesis for this study include the following:

**H1<sub>0</sub>.** Cyberspace and cybercrime do not have any statistically significant impact on financial safety of organizations.

**H1<sub>a</sub>.** Cyberspace and cybercrime do have statistically significant impacts on financial safety of organizations.

**H2<sub>0</sub>.** Corporate social responsibility does not have any statistically significant impacts on cybercrime practices that result into financial crimes.

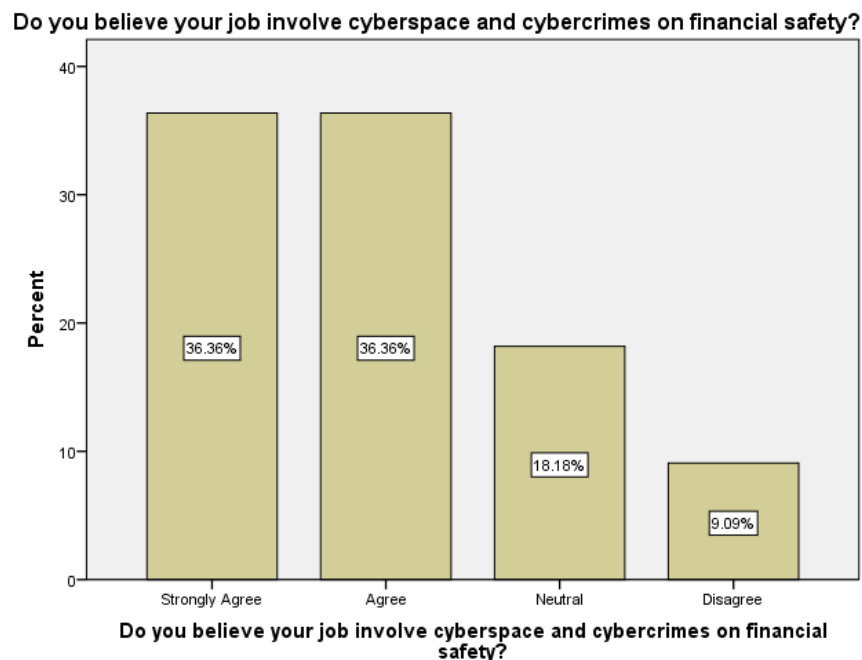
**H2<sub>a</sub>.** Corporate social responsibility does have a statistically significant impact on cybercrime practices that result into financial crimes.

Therefore, a variable that is more related to this purpose is given the upper hand in the analysis (Fone 1997). It also helps the analyst to choose the dependent and independent or explanatory variables comfortably.

## Results

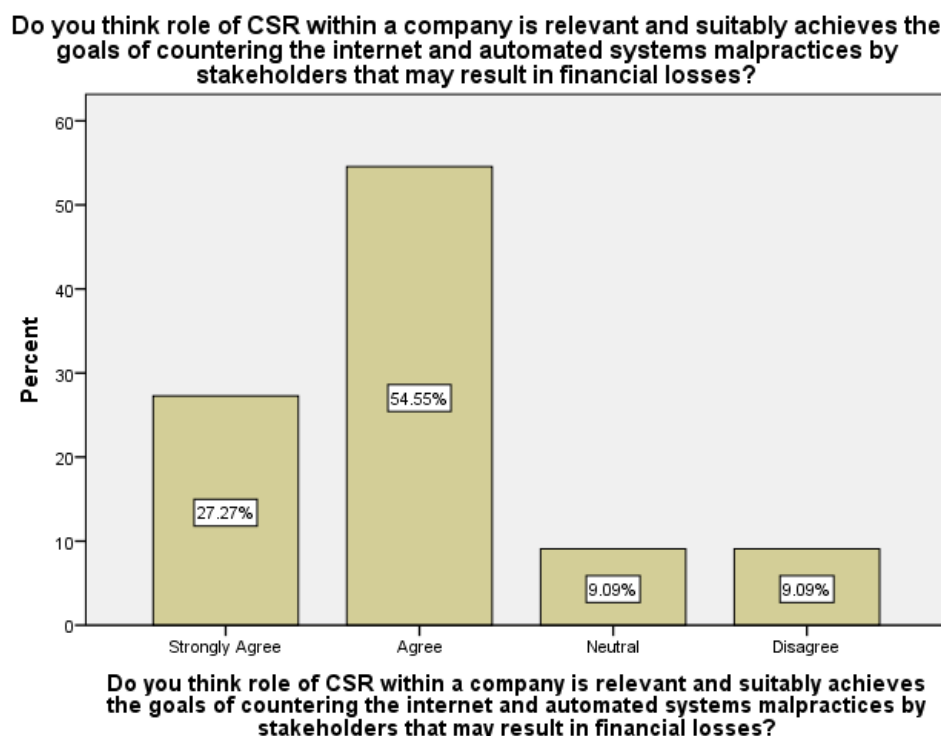
Under this section; tables and bar charts with brief and precise description are used to report the findings on ten variables considered in this research. The findings rely on the quantitative data from the primary sources to a large extent. The analysis and result presentation are done in a manner that is in line with the objectives of the study. The focus of the study was to establish the relationship between CSR and SOX based on financial crime resulting from cyberspace and cybercrime

**Figure 1: Do you believe your job involve cyberspace and cybercrimes on financial safety?**



Two groups (strongly agree and agree) presents the highest percentage (36.36%) of respondents. In particular, 36.36% of respondents strongly agree that their job responsibilities are related to the cybercrime and cyberspace on the safety of financials. Another 36.36% of respondents agree that their job responsibilities are connected to the cybercrime and cyberspace on the safety of financials. On the other end, the lowest percentage (0%) of respondents strongly disagree that their job responsibilities are related to the cybercrime and cyberspace on the safety of financials. Lastly, 18.18% of respondents do not know whether their job responsibilities are linked to the cybercrime and cyberspace on the safety of financials.

**Figure 2: Do you think the role of CSR within a company is relevant and suitably achieves the goals of countering the internet and automated systems malpractices by stakeholders that may result in financial losses?**

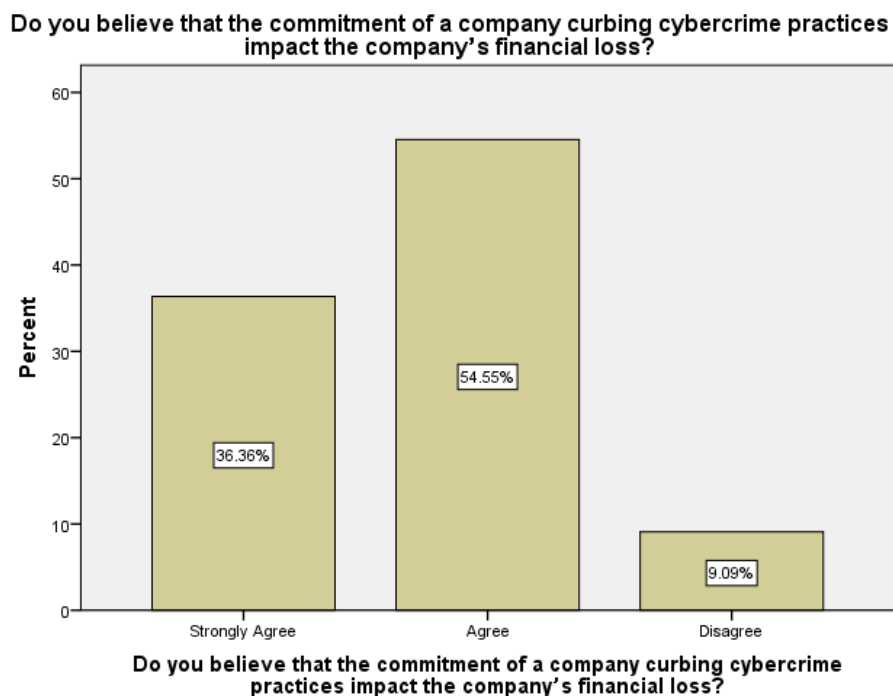


The highest percentage (54.55%) of respondents agree that CSR within a firm forms a suitable and reliable approach to counter financial losses that may come as a result of automated and internet system malpractices. 27.27% of respondents strongly agree that CSR within a firm forms a suitable and reliable approach to counter financial losses that may come as a result of automated and internet system malpractices. On the other end, the lowest percentage (0%) of respondents strongly disagree that CSR within a firm forms a suitable and reliable approach to counter financial losses that may come as a result of automated and internet system malpractices. Lastly, 9.09% of respondents do not know whether CSR within a firm forms a suitable and



reliable approach to counter financial losses that may come as a result of automated and internet system malpractices.

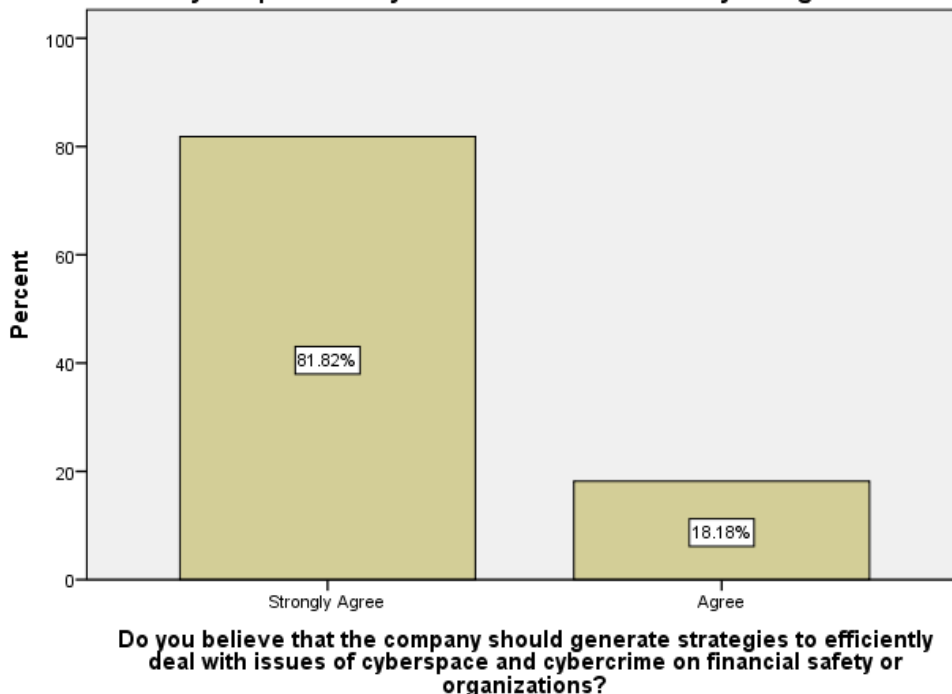
Figure 3: Do you believe that the commitment of a company curbing cybercrime practices impact the company's financial loss?



The highest percentage (54.55%) of respondents agrees that reduction of cybercrime practice influence the firm's financial losses. 36.36% of respondents strongly agree that decrease of cybercrime practices influence the firm's financial losses. On the other end, two groups (neutral and strongly disagree) presented the lowest percentage (0%) of respondents. In particular, 0.0% do not know whether reduction of cybercrime practice influences the firm's financial losses.

Figure 4: Do you believe that the company should generate strategies to efficiently deal with issues of cyberspace and cybercrime on financial safety or organizations?

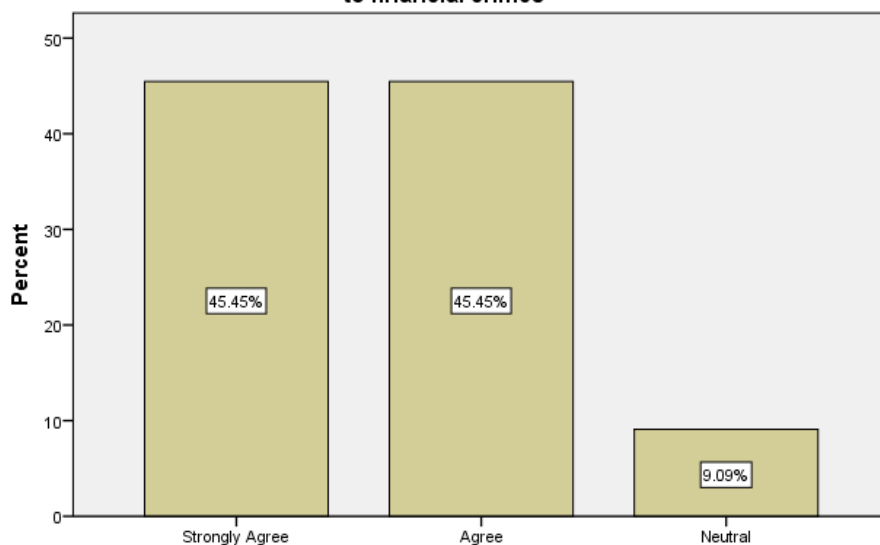
**Do you believe that the company should generate strategies to efficiently deal with issues of cyberspace and cybercrime on financial safety or organizations?**



The highest percentage (81.82%) of respondents strongly agree that firms should come up with strategies, which deal with cybercrime and cyberspace issues in an organization efficiently. 18.18% of respondents agree that firms should come up with strategies, which deal with cybercrime and cyberspace issues in an organization efficiently. On the other end, three groups (neutral, disagree and strongly disagree) registered the lowest percentage (0%) respondents.

Figure 5: The motivation to maintain and support the implementation of strategic initiatives is essential for company's efforts in curbing cybercrime practices that result in financial crimes

**The motivation to maintain and support the implementation of strategic initiatives is essential for company's initiatives in curbing cybercrime practices that result to financial crimes**



**The motivation to maintain and support the implementation of strategic initiatives is essential for company's initiatives in curbing cybercrime practices that result to financial crimes**

Two groups (strongly agree and agree) presented the highest percentage (45.45%) of respondents. In particular, 45.45% of respondents strongly agree that goodwill (motivation and support) is needed in the implementation of plans put in place to reduce cybercrime practice in an organization as far as financial losses are concerned. Another 45.45% of respondents agree that goodwill (motivation and support) is needed in the implementation of plans put in place to reduce cybercrime practice in an organization as far as financial losses are concerned.

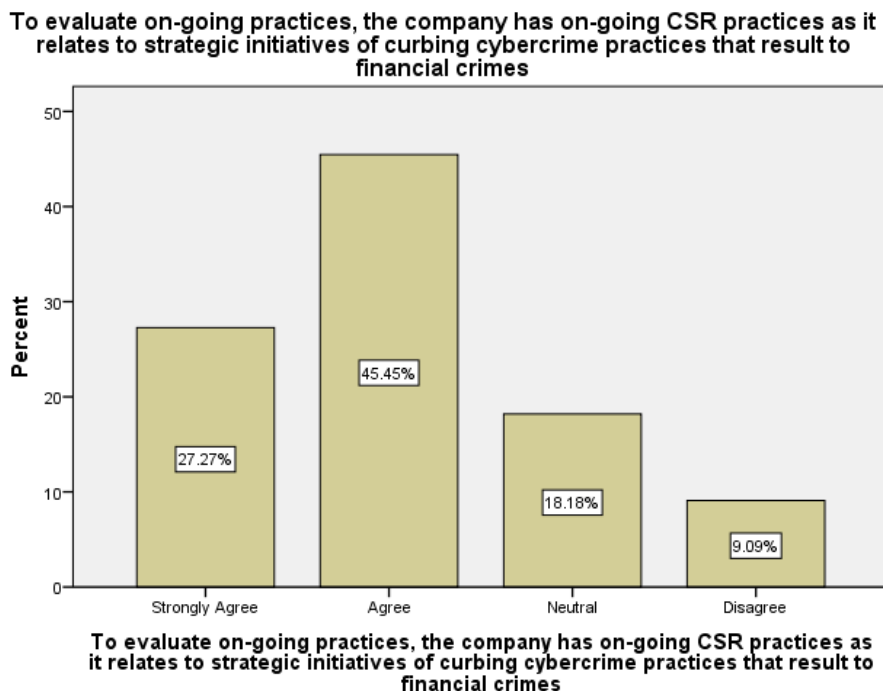
Two groups (disagree and strongly disagree) registered the lowest percentage (0%) respondents. Further, 9.09% of respondents do not know whether goodwill (motivation and support) is needed in the implementation of plans put in place to reduce cybercrime practice in an organization as far as financial losses are concerned

Figure 6: To track the success of strategic initiatives, the Company developed a set of key performance indicators or some other form of accountability based on cyberspace and cybercrime on financial safety



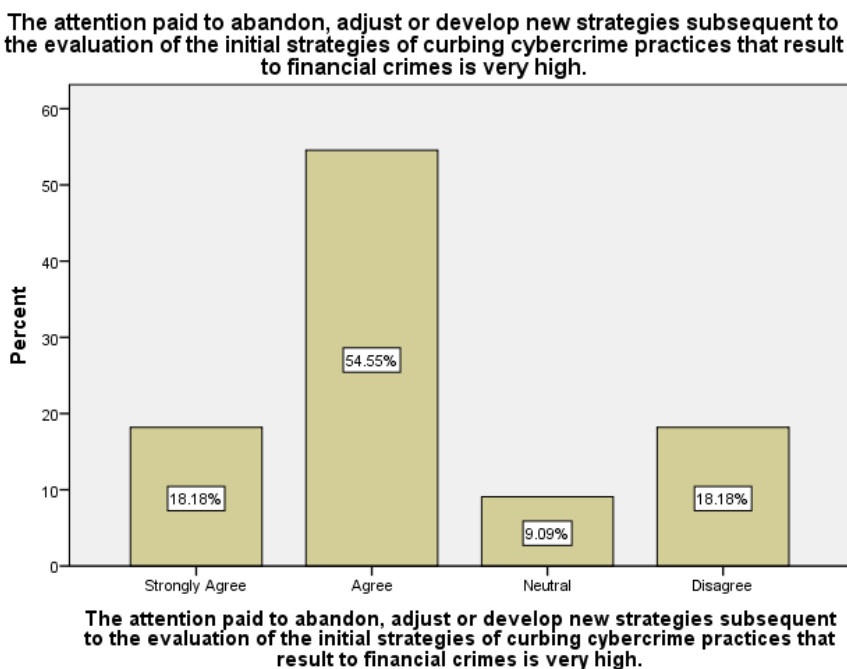
The highest percentage (45.45%) of respondents agree that the firm developed some major performance indicators to monitor the plan put in place to curb cybercrime and cyberspace on financial safety. 36.36% of respondents strongly agree that the firm developed some major performance indicators to monitor the plan put in place to curb cybercrime and cyberspace on financial safety. On the other end, two groups (disagree and strongly disagree) registered the lowest percentage (0%) respondents. Lastly, 18.18% of the respondents do not know whether the firm developed some major performance indicators to monitor the plan put in place to curb cybercrime and cyber-space on financial safety.

**Figure 7: To evaluate on-going practices, the company has on-going CSR practices as it relates to strategic initiatives of curbing cybercrime practices that result in financial crimes**



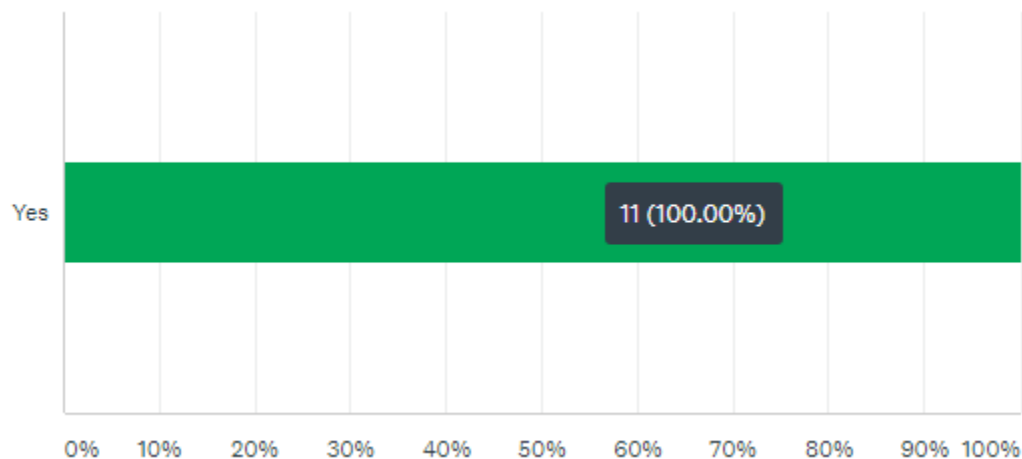
The highest percentage (45.45%) of respondents agree that the firm had on-going CSR activities to assess plans for reducing cybercrime practices, which results in financial crime. 27.27% of respondents strongly agree that the firm had on-going CSR activities to evaluate methods of lowering cybercrime practices, which leads to financial crime. On the other end, the lowest percentage (0%) respondents strongly disagree that the firm had on-going CSR activities to assess plans for reducing cybercrime practices, which results in financial crime. Lastly, 18.18% of the respondents do not know whether the firm had on-going CSR activities to assess plans for reducing cybercrime practices, which results in financial crime.

Figure 8: The attention paid to abandon, adjust or develop new strategies after the evaluation of the initial strategies of curbing cybercrime practices that result in financial crimes is very high.



The highest percentage (54.55%) of respondents agree that very high attention was addressed to adjustment, abandonment, and development of approaches following the assessment of the initial plans to curb cyber-crimes on financial safety. Two groups (strongly agree and disagree) presented equal percentage (18.18%) of respondents. On the other end, the lowest percentage (0%) respondents strongly disagree that very high attention was addressed to adjustment, abandonment, and development of approaches following the assessment of the initial plans to curb cyber-crimes on financial safety. Lastly, 9.09% of the respondents do not know whether there was very high attention addressed to adjustment, abandonment, and development of approaches following the assessment of the initial plans to curb cyber-crimes on financial safety.

Figure 9: Have you read the consent form and agree to participate, despite knowing the risks involved in the study.



100% of respondents agree to have read the consent form; they were also aware of any risks that may happen during the study.

### HP, 2012

The HP case is based on an acquisition dispute that followed an overvaluation in 2012. The CEO actions were based on the information that he acquired from the internet and which had been provided by Autonomy. He allowed an \$ 8.8 billion write-down for the company.

Autonomy cooked their books so that they overvalued for the sake of an acquisition by HP.

The concern, however, is the breakdown of the write-down made by the HP CEO:

- Of HP's \$8.8 billion write-downs reported today, \$5 billion is identified with the asserted misrepresentation at Autonomy. The rest originates from the weakness of goodwill and other immaterial resources identified with the obtaining, provoked by the drop in HP's stock cost.
- HP says Autonomy was offering some low-edge equipment at loss, however, reserving those deals as high-edge programming deals.

- It was purportedly concealing this by reporting some part of the expense of those items as an advertising cost, instead of as an expense of merchandise sold.
- Autonomy neglected to appropriately report arrangements to permit its product to affiliates—accomplices who sold Autonomy programming with bundles of equipment or administrations. These arrangements were professedly reported as income ahead of time of real deals to clients utilizing the product.
- Autonomy neglected to book its product as-an administration deals effectively. Income on programming as-an administration arrangements ought to just be perceived when the client pays, as indicated by accounting measures—regularly on a month to month membership premise. HP says Autonomy was reporting these arrangements as though they were programming permit understandings and remembering all the income forthright.

The Autonomy’s CEO at the season of the arrangement, who additionally ran Autonomy as a HP unit for a period after the deal, denies any wrongdoing and says that HP’s examination of the organization’s financials before the arrangement was made, was “thorough,” including agents from HP and outside firms KPMG, Barclays, and Perella Weinberg.

### **Alberta Motor Association**

In the course of recent years, Alberta Motor employee Jim Gladden burned through cash like a multimillionaire specialist. Jim Gladden purchased a 2013 Porsche, sold it in 2015 and purchased a 2016 model. He purchased and sold an uncommon Italian-made Maserati. His protection covers a 2014 Dodge Ram truck, a 2015 BMW, and a \$50,000 pontoon. His new home in southwest Edmonton cost an expected \$1.6 million. He acquired his 3,000-square-foot summer home in Scottsdale, Ariz., in March for \$520,000 US. As a speculation, he purchased a \$5-million office working in downtown Edmonton. Amid this three-year spending spree,



Gladden was filling in as VP of data innovation for the Alberta Motor Association (AMA) and making about \$210,000 a year.

The decision came after Mohamed's hour and a half dismemberment of how Gladden supposedly pulled off a plan that included manufactured solicitations of between generally \$30,000 and \$450,000 US and electronic exchanges to American financial balances. The AMA charges over Gladden and his related organizations swindled it off at any rate \$8.2 million between January 2013 and June 2016. Veit conceded a few requests — with no notification to Gladden — that adequately solidified every one of his benefits and ledgers in Canada and the U.S. while the AMA's attorneys examined on both sides of the fringe. The AMA recorded an 8.2 million USD claim against Gladden and a few of his related organizations. No announcement of safeguard was registered and the affirmations contained in the claim, and testimonies in the backing of the requests, have not been demonstrated in court. However, the archives — acquired only by CBC News — give a window into what is charged to have been an expansive scale corporate extortion and how it unwound.

Gladden had worked at the AMA for almost eight years and had been VP of data innovation for about the most recent year and a half. In August 2015, Gladden told the AMA he hurt his leg, and he was permitted to work more hours from home, as indicated by a testimony sworn by AMA boss operations officer Michelle Chimko. On July 12, the AMA's budgetary controller found two odd solicitations — for the buy of 1,142 "CRM licenses" from Chicago-based ComboApp Inc., totaling more than \$570,000 the US, records appear. A week-long examination revealed no clarification for why the AMA required such a large number of licenses, or how the solicitations came to be endorsed. On July 20, Chimko reached ComboApp and had not issued the permit and was not even in the matter of offering CRM licenses. Chimko

likewise learned ComboApp had not charged AMA since February 2014. When she got the solicitations from the organization, the AMA acknowledged it had not got the administrations for which it had paid.

A day prior, the AMA suspended Gladden's email record and impaired his remote access. While doing that, a system security investigator found Gladden had given himself access to the email records of a few senior AMA administrators. This 'full access' would have permitted Gladden to survey email correspondence that had been sent or got by different individuals from senior administration inside the AMA, including myself. The AMA chose it would promptly fire Gladden's business. Therefore Chimko needed to inspire him to react to her instant messages and telephone calls. The records detail a few baffled endeavors on July 21 to organize a meeting with Chimko and AMA CEO Don Smitten. Chimko at long last debilitated to go to Gladden's home.

Gladden, at last, consented to meet in the entryway at the Misericordia Hospital in Edmonton's west end at 11:30 a.m., saying he would be there after an arrangement for his harmed leg. The AMA sent a worker to watch his home. Not long after 11 a.m., the time when Gladden should be in an arrangement at the doctor's facility, the worker saw Gladden go out, and he tailed him to the Misericordia. The court archived detail a claimed fake plan that was shockingly basic and simple to manage because the AMA seems to have trusted Gladden. It had given him sole power to endorse the installment of solicitations for merchandise or administrations utilized by the AMA's data innovation division.

In its claim, the AMA charges that between Jan. 8, 2013, and June 17, 2016, Gladden approved installment by the AMA for various solicitations "that were either falsely arranged by Mr. Gladden or were for installment on solicitations issued by an outsider for administrations rendered to, or for the advantage of, one or a greater amount of the litigants." Through access to

Gladden's AMA email account, the AMA learned Gladden possessed an organization called Sprocket Apps Inc., which made and showcased applications for cell telephones. Court records show previous AMA VP Jim Gladden purchased this house in Scottsdale, Ariz. for \$520,000 US in March (Zillow.com). The court archives demonstrate the AMA made installments to ComboApp for work the AMA cases was accomplished for Sprocket.

The AMA additionally asserts Gladden created solicitations from a few U.S. organizations, including ComboApp, and approved their installment through an electronic exchange to financial balances in the United States that the AMA claims Gladden either specifically controlled, or profit. The AMA directed an inquiry of its internal bookkeeping records for all solicitations endorsed by Gladden that had been paid by a wire exchange. The hunt revealed a few organizations that had no agreement with the AMA to give any merchandise or administrations. Edgar, in his testimony, draws an immediate line between manufactured solicitations and a few individual buys, including another Porsche. Edgar's affirmation asserts Gladden made an email account — Datavox3@gmail.com — for wire exchanges to an online escrow account in California. On June 23, 2016, an email from Datavox3@gmail.com itemized two exchanges affirming installment of \$109,001. Under two weeks prior, on June 12, Gladden affirmed a receipt on ComboApp letterhead for \$110,025 bearing the same exchange and escrow numbers. The other email in the Datavox3@gmail.com record was an affirmation of a wire exchange to Pfaff Porsche (of Toronto) in the measure of \$109,001. Edgar said that on July 29, eight days after the AMA let go, Gladden, he was reached by Edmonton criminal protection legal counselor Deborah Hatch.

### **The Olympus Scandal**

The Olympus scandal of 2011 can largely be blamed on James A. Baker, the Treasury secretary at the reign of Ronald Regan. Baker had everything to do with the “Plaza Accord” which stopped the valuation of the dollar in 1985 (Norris, 2011). This set the motion for the massive financial scandal at the Olympus Corporation, the renowned Japanese manufacturer of Cameras and medical Imaging equipment and Cameras (Norris, 2011).

This scandal, which lasted for more than twenty, arose due the need to make the company’s financial reports look accurate and alluring to investors. The scandal was exposed by Michael C. Woodford, who had served in the company for six years as the COO and had been appointed as the CEO and the president just two weeks before the expose’ and it became the longest-running and the biggest loss-hiding arrangement by the management and the internal control in Japanese corporate history (Norris, 2011).

Woodford had realized that despite being the CEO and the president, the Chairman of the Board together with other members of the board making numerous irregular payment to acquire different assets amounting to more than 1.5 Billion USD, and other concealed payments to criminal organizations (Norris, 2011). Woodford initially thought that these concealed payments represented theft of corporate funds and confronted the manager. However, upon investigation, it was realized that that the manager was indeed trying to clean up the mess that had begun in 1980s without damaging the company’s reputation, as well as the reputation of generations of Olympus executives. The chairman had argued that he had felt no need to inform the CEO since the fraud was eventually behind the company. The immediate press release following the exposure of the scandal showed that two changes in book-keeping standards and principles were to blame for the collapse of the Olympus scam, and that KPMG and ASZA, a Japanese accounting group had failed to detect the scam (Norris, 2011).

Prior to the Plaza Accord, the US dollar was worth more than 250 yens by 1984 and was showing signs of rising. Resultantly, Japanese exporters leaped maximum benefits for exporting to the US, a factor that led to a huge trade surplus in Japanese trade to the US. Then came the Plaza Accord, an agreement between the UK, the US, Japan, West Germany, and France to slash down the value of the dollar and by January 1985, the value had dropped to 200 yens for a dollar and 121 yens 1987 thus exportation was not as much lucrative for Japanese exporters such as Olympus. Consequently, Olympus introduced a speculative investment as a business strategy to benefit from the highly imbalance exchange rate. This strategy proved effective until 1990 after the burst of the Japanese bubble, making Olympus Corporation loose more than 730 million USDs in exchange (Norris, 2011).

At the time, investments throughout the world were accounted for at their cost price and there was no write down, a factor that allowed such huge losses to be hidden. As thus, Olympus plan was to “sell” the loosing investments at their costs to cover-up companies that Olympus had established for that purpose. The cover-up companies purchased the loosing investments using bank loans that were secured by Olympus Company but under the lenient accounting standards the cover-up companies needed not to be consolidated with Olympus, thus the financial losses remained hidden. Additionally, the strategy involved making acquisitions that were priced at a higher value than their true worth. The costs of these acquisitions would then be recorded as Olympus goodwill, and later written off, thus the balanced sheet showed the true value of the company. KPMG and ASZA did not notice these fraudulent bookkeeping practices until in 2007 when Japanese laws changed and it became mandatory for companies to consolidate its companies (Norris, 2011). However, Olympus continued to make huge acquisition fees while avoiding the Enron related accounting standards without revealing this to the CEO, culminating

to the Expose. The investigating team revealed that the top management at Olympus Corporation with exception of the CEO knew the covert operations of hiding the losses that the previous management had made. Further, the committee appeared to agree that the CEO was only employed for he was a foreigner and could be easily swayed by the board of directors. However, unlike expected, the dissatisfied Woodford exposed the massive fraud leading to a massive loss, tainted executive and a mass departure (Norris, 2011).

Auditors argue that were it not for the expansive audit investigations, the Olympus scandal would not have been discovered as it was well hidden. This has led to the audit evidence consist of both the assertions of corporate managers and all the supporting or collaborating documents (Johnstone, Gramlin & Rittenberg, 2014).

### **Sino-Forest Corporation**

The Sino-forest scandal of 2011 is another case detailing how the management can use their discretion to falsify corporate financial reports causing financial crimes. The Sino-Forest Corporation was formed in 1994 in China, with a core business that included owning and managing tree plantations to complete the business of manufacturing wood products, with the sale of wood fiber generating the significant portion of the company's income. In 2010, the corporate had a market capitalization of five Billion USD, and claimed to own more than seven hundred and fifty thousand hectares of trees and that it was planning to own a over seven hundred thousand hectares by 2012. These allegations made Sino-Forest one of the most lucrative businesses to invest in, especially since the company was poised to meet the huge and growing need for wood and wood fiber in China. This made the Sino-forest share price to rise significantly and attract numerous investors. However, after the 2011, the share price fell, hurting all investors that invested in the firm.

The Sino Forest scandal came into light on 2<sup>nd</sup> June 2011, following an exposé by Carson Block of Muddy Waters Research Inc. According to the exposé the company was fraudulently overpricing its assets and earnings to appeal to the shareholders (Johnstone et al., 2014). Further, the research acclaimed that Sino-Forest Inc., shares were worthless and that the company was a Ponzi scheme that was established and followed by grand theft (Johnstone et al., 2014). Even though the management established an independent research, the Muddy Waters Research had already taken a toll on the valuation of the corporate shares. The price of shares fell by 82%, while prominent investors such as John Paulson sold their entire stake in the company worth more than \$720. Additionally, the debt rating agency, Standard and Poors, relegated the Sino Frost Long term corporate rating status from “BB” to “B+” on 30<sup>th</sup> June 2011. On 15<sup>th</sup> August 2011, the Sino-forest management announced that the independent PWC probe would be delayed up to the end of the year owing to the challenges that were being experienced in collecting data from a Chinese Firm that was involved in the fiasco. Meanwhile, the Standard and Poors, relegated the Sino Frost Long term corporate rating status further from “B+” to “B” on 23<sup>rd</sup> August (Johnstone et al., 2014). Additionally, the Ontario Securities Commission (OSC) suspended the shares of Sino-Forest, arguing that the company had knowingly or unknowingly engaged practices increased chances of fraud. At first, the OSC had compelled five directors of the company to resign but later rescinded the demand as OSC policies does not allow it to force resignation of directors that are implicated in illegal corporate practices without giving them fair hearing (Johnstone et al., 2014).

Following the exposé, corporate investors sued Earnest and Young who were the auditors of the company, a group of financial institutions and David Horsley the former Chief Executive. The three defendants paid 117 million USD, 32.5 million USD and 5.6 million USD respectively

to settle the lawsuit (Johnstone et al., 2014). Later in 30<sup>th</sup> March 2012, the Sino-Forest filed for bankruptcy as laid out in the Companies' Creditors Arrangement in Canada. On 10<sup>th</sup> December 2012, the Canadian court approved the Compromise and the Reorganization plan that came into effect on January 2013. As part of the reorganization and compromise strategy, the company is now controlled by its bondholders who operate under Emerald Plantation Holdings. The company has since initiated the RCMP investigation and hinted that it would sue the Muddy Water for its accusations in the Ontario Superior Court. However, Muddy Waters has maintained that its allegations were true and that Sino-frost would not have required the restructuring plan if it indeed had a cash flow two-billion USD. However, the Sino-Forest case is not a criminal proceeding thus the OSC has a low burden of proof to validate or rubbish the allegation (Johnstone et al., 2014).

### **Evaluation of the Findings**

This mixed-method research study used literature reviews of global corporations that have been involved in financial crimes and accounting scandals which have been facilitated by the cyberspace or the internet. The problem statement of this study is associated with the organization's present issues due to cybercrimes, particularly due to public companies maintaining weak internal controls. The results from the study were anticipated, due to the literature reviews mentioned in Chapter 2.

The evaluations of the findings concerning the involvement of the organizations and the executive will enable answer the research questions. This study utilized the research question that includes finding out the impact of cybercrime and cyberspace on financial crimes and organizations and to find out the impact of CSR in curbing cybercrimes and financial crimes. The last research question is to find out the role of CSR practices such as the SOA in countering



financial crimes and malpractices especially that which is facilitated by the cyberspace and the internet.

As mentioned earlier in the introduction of this chapter, the primary aim of this study is to establish the relationship between CSR and SOX in curbing cyber-space and cyber-crime on financial crime, supported by two theoretical theories: stockholder's theory and social learning theory. In the study, ten variables were used to aid describe the association between SOX and CSR as based on financial crime related to cybercrime. Further, the evaluation of the findings; discussion, interpretation, and speculation about the findings as reported in the result section are presented. Also, the assessment of outcomes is also done in line with the primary purpose of this study.

As reported in the finding section, approximately 72.72% have job responsibility related to cybercrime and cyber-space on financial safety. This aspect implies that large percentage of the respondent (data source) have knowledge on cybercrime and cyber-space on financial security. Therefore, this study sourced data from a recommended and reliable source. Secondly, about 82% of respondents reported that CSR within a firm forms a suitable and reliable approach to counter financial losses that may come as a result of automated and internet system malpractices. In other words, CSR approaches being applied by the company are suitable and reliable.

About 91% of respondents record that reduction of cybercrime practice influence the firm's financial losses. As stipulated in the objectives of this study, in this case, the impact is positive. The measures put in place reduces the size of financial loss through cyber crime and cyberspace. 100% of respondents either strongly agree or agree that firms should come up with strategies, which deal with cybercrime and cyberspace issues in an organization efficiently. This

implies that the respondents were aware of what should be done to seal a gap/loophole as far as cybercrime and cyber-space are concerned.

Approximately 91% of respondents either agree or disagree that goodwill (motivation and support) is needed in the implementation of plans put in place to reduce cybercrime practice in an organization as far as financial losses are concerned. Employees in the department's related computer security (cybercrime and cyberspace), which ensures financial safety in the organization need motivation and support to seal and reduce loopholes that may result in financial loss.

About 82% of respondents either agree or strongly agree that the firm developed some major performance indicators to monitor the plan put in place to curb cybercrime and cyber-space on financial safety. In simple terms, this implies there is an effort regarding strategies to control financial crime that results from cybercrime and cyber-space. Also, the firm had ongoing CSR activities to assess plans for reducing cybercrime practices, which leads to economic crime. The assessment of the firm involves checking whether the first policies and strategies put in place have weaknesses.

As reported in the result section, very high attention was addressed to adjustment, abandonment, and development of approaches following the assessment of the initial plans to curb cyber-crimes on financial safety. This section, therefore, evaluates the nature of the financial crimes elaborated through the four case studies above. The HP scandal was an overvaluation financial crime. The company's executive transacted an overvalued figure with a potential acquisition Autonomy Company of \$ 8 billion. To over value, the Autonomy first started running the company as though HP had already acquired it. The values of the company on learning through the internet that the corporation was a unit of HP went ahead to misrepresent

most of the financial components. This financial crime was thus cyber space-facilitated. Based on the evidence provided by the case studies, the cyberspace major facilitating factor for the accounting scandals (Johnstone et al., 2014).

### **Summary**

Based on the four case studies above, it is evident that financial crime that falls under forensic accounting is facilitated by the connectivity of the perpetrators to technology. HP accounting scandal of \$8.8 billion involved Autonomy executive, HP executive and Autonomy's Valuation Company. The AMA accounting scandal involved the accounting executive who manipulated the company's financial system to create his fund from home through his PC. The perpetrator created an email address which he transacted with AMA as an agent of ComboApp leading to a loss of \$ 109, 001. Both Sino-Forest Corporation and Olympus financial crimes were frauds that were executed through false valuations and manipulation of corporate financial records by the management, either knowingly or unknowingly. In all these frauds, investors lost their resources, leading to loss of confidence in Security Exchange Commission.

In conclusion, this study was carried out to establish the relationship between CSR and SOX as far as cybercrime and cyberspace are concerned. Cybercrime and cyberspace activities may result in a financial loss in an organization. Therefore, this study used ten variables to aid in the description the company's effort to seal any loophole that may result in cybercrime activities leading to financial loss.

From the findings, it is clear that large percentage of the respondent (data source) have knowledge on cybercrime and cyber-space on financial safety. CSR implemented in the organization had contributed to suitable and reliable approaches to counter financial losses that may come as a result of automated and internet system malpractices. Cybercrime practice

influence the firm's financial losses, further, measures put in place reduces the size of financial loss through cyber crime and cyberspace.

The informants who participated in this study were aware of what should be done to seal a gap/loophole as far as cybercrime and cyber-space are concerned. Therefore, they assert that firms should come up with strategies, which deal with cybercrime and cyberspace issues in an organization efficiently. Employees in the department's related computer security (cybercrime and cyberspace), which ensures financial safety in the organization need motivation and support to seal and reduce loopholes that may result in financial loss.

## Chapter 5: Implications, Recommendations, and Conclusions

The purpose of this mixed-method study with a concurrent nesting approach exploring weak internal services that associates with corporate social responsibility for publicly-traded corporations. This study investigated the relationship between corporate social responsibility (CSR) and Sarbanes-Oxley Act, 2002 (SOX) based on financial crime resulting from cyberspace and cybercrime by answering the research questions and validating the hypothesis. Using a mixed-method study method of a concurrent nested, the deductive approach was selected to be the approach of the study. A questionnaire generated from surveymonkey.com was used to collect data about the perception of the participants about the chosen research topic's hypothesis which will be conducted on 141 forensic accountants selected from LinkedIn.com and affiliated with organizations that follow the Sarbanes-Oxley Act.

From the findings discussed in the prior chapter, there is a relationship between Sarbanes-Oxley Act and corporate social responsibility. CSR implemented in the organization had contributed to suitable and reliable approaches to counter financial losses that may come as a result of automated and internet system malpractices. Cybercrime practice influence the firm's financial losses, further, measures put in place reduces the size of financial loss through cyber crime and cyberspace.

For every study, there must be limitations or problems that the researcher identifies (Creswell, 2005). This study is not an exception. Contextual investigation research strategy has a few confinements, for instance, it is much of the time unreliable for the nonattendance of exhaustiveness; it permits uneven points of view to affect the heading of the finding. Second, logical examinations offer alongside no reason to the exploratory theory since it uses a few number of subjects, some coordinated with just subject. Third, logical examinations are every

often set apart, hard to lead and making a tremendous measure of the reporting process. Chapter 5 presents the implications, recommendations for future research usage, and conclusion.

### **Implications**

From the case studies and surveys, the researcher concludes that full implementation of SOX is imperative in reducing occurrences of corporate accounting frauds. By targeting the executive, SOX influences on the executives in their duties and particularly organizations have agreed to spend substantive amounts of money in ensuring that their financial reporting is SOX compliant, thus reporting the accurate and dependable corporate worth. The dependability of corporate financial reports enhances the protection of the investors' resources and most importantly improves the trust of security analysts and the Security Exchange Commission.

Nonetheless, the field of forensic accounting is prone to serious types of errors and fraud that has the potential of serious implications. The reported cases include fraud, suspicious business valuation, money laundering, post-acquisition disputes and corporate economic damage have led to huge wastage of resources and even downfall of corporations and financial institutions. This implies that management should set up a methodology to guarantee detection of malpractice activity by creating systems that identify access and building up, issuing, suspending, and shutting of client records. A formal endorsement technique detailing out the information or framework proprietor giving the accessibility authority into these systems ought to be incorporated. The security of outsider access ought to be characterized authoritatively and address organization and non-revelation prerequisites. The association should describe a standard methodology for information proprietors to submit while provisioning clients (Shameli-Sendi, Aghababaei-Barzegar, & Cheriet, 2016). One of the known parts based on these techniques requires that the information proprietor relegates a client to a gathering given the obligations

he/she is in charge. This should be a progressive process where the client acquires all benefits connected with the collection, despite the fact that the information holder might have the capacity to assist confine access at the neighborhood (client) level clients (Shameli-Sendi, Aghababaei-Barzegar, & Cheriet, 2016).

Irrespective of the technology employed, companies ought to guarantee that the information gathering processes have the capacity to give clients the suitable access. Similarly, successful provisioning of such information is critical in checking and repudiation forms. The observing procedure includes regulated logging and access to identify suspicious activities such as fizzled sign on endeavors and sign on events during non-business hours. As specified already, viable checking can recognize and anticipate malicious action. It is additionally important that the company should have a feedback procedure set up by which client access to basic frameworks might be immediately identified (clients (Shameli-Sendi, Aghababaei-Barzegar, & Cheriet, 2016).

The rate of the approval procedure is vital in certain circumstances, for example, when managing fired employees or traded off client accounts. In both cases, people with offensive aims may aim at getting to destroy budgetary reporting information (Brink, Coats, & Rankin, 2017). Cyberspace and cybercrime do have significant impacts on the financial safety of organizations. Companies have to incur a lot of cost in identifying cyber threats, building or designing new operating procedures which are safer, and buying protective software or hardware to guard themselves against online thieves. Organizations with sensitive and intricate operations need to hire highly qualified cyber-security experts to develop personalized solutions to cyber threats. As Mangala and Kumari (2017) indicated, systems have to be frequently examined and tested to make sure that they are still efficient against cyber-attacks. These costs are eventually

passed on to the consumers through higher prices of goods and services hence lowering demand. An organization will therefore lack essential finances to fund its various CSR activities.

The findings indicate that in forensic accounting, a major occurrence is when management alters accounting data, providing false data, utilizing unauthorized process or instructions which result in significant loss. CSR has played a big role in curbing cyberspace and cybercrime. As previously stated, many organizations are performing their CSR activities through means such as creating employment for the community. This has helped reduce unemployment rate and thus ensuring most youths do not engage in cybercrimes such as computer fraud. Once employed, the organization adopts the SLT method in which the new recruits are encouraged to imitate the ethical standards set by their leaders. The leaders have a duty to model employees' actions and behaviors by dramatizing the processes and ethical standards set by the organization (Benson, Lorenzoni, & Cook, 2016).

CSR also strengthens the internal controls of an organization by improving the internal and external competitiveness of a company's context. Weak internal control systems have been regarded as leading causes of cybercrime and cyberspace cases as observed by Rodgers, Soderbom, & Guiral (2015). The findings include that the essence of the Sarbanes-Oxley (SOX) Act of 2002 in intervening in the running of organizations as well as their roles in corporate social responsibilities contributed to improving governance through the incorporation by audit committees and improving the internal control and external auditing of companies. Cybercrimes take the form of fraud or unsolicited communication through the internet. In forensic accounting and corporations, the most common cybercrimes lead online money laundering or money stealing from bank accounts that also operate on an online platform. The main purpose of the SOX Act includes improving trustworthiness in the money related reporting for public



companies. Due to the purpose, publicly-traded organizations picked up the federal social responsibilities. The need to adopt the act arose following the numerous accounting, and corporate scandals stemmed from the reports in public organizations in the recent past. Most often than not, management performs corporate hacking, due to the management's ill motives to benefit financially from the acts (Van de Weijer & Leukfeldt, 2017). According to the claims by Albrecht et al. (2016), forensic accountants follow cybercrimes. The massive number of cybercrimes presents an explanation that numerous people from all over the world could either take place as victims or perpetrators of cybercrimes. The majority of the results contain explanations on how technology experts and internet providers are committed to eliminating the scourge. This finding addresses the study problem by indicating that that compliance with Sarbanes-Oxley Act has a positive influence on the companies' initiatives on social responsibility. Therefore, Organizations need to strengthen their internal services that associates with corporate social responsibility in alignment with SOX to ensure that the rate of cybercrimes reduce with improved accountability of their stakeholders and resources.

### **Recommendations for Practice**

In order to minimize cybercrime, organizations need to strengthen their internal control services in line with the SOX (Rodgers, Soderbom, & Guiral, 2015). This may be achieved by ensuring that the organization is SOX compliant hence improving the accountability of various stakeholders in public companies. Internal control services may also be improved by companies familiarizing themselves with corporate social responsibilities such as sustenance of the environment and improvement of social conditions (Zhang, Zhu, & Ding, 2013). Since publicly-traded companies benefit from implementing internal controls, the researcher also recommends for smaller-sized companies and private companies to also implement internal controls.

This study indicated that a large percentage of youths engage in cyberspace and cybercrime related activities either for fun, lack of finance, revenge and bullying. As observed by Kerstens and Jansen (2016), this has been permitted due to the absence of parents and guardians who can act as role models to be emulated by their children. Parents and guardians are therefore recommended to educate their children on the effects of cybercrimes and also ethical practices that need to be observed in the society.

### **Recommendations for Future Research**

Following the findings and the implications discussed above, this study recommends that corporations should strengthen their internal controls by implementing the following control tools in the accounting systems. A vital motivation behind a business coherence arrangement is to guarantee the trustworthiness and accessibility of vital information after a calamity or other disturbance within the management. In many situations, a large number of exchanges that have an impact on financial reporting information happen every day. It is important that the company should put away such information on account of instability and also ensure that exchanges that happen during such moments are legitimately represented (Cheung, Liu, & Lee, 2015).

As Fazlida and Said (2015) argued the information technology (IT) department, in collaboration with business process proprietors, should build up a progression structure which characterizes the parts, obligations and risk management approach/philosophy that will be utilized, and the structures and systems to report the congruity plans and also the endorsement systems. Building up a business progression plan includes a few stages including the recognizable proof of dangers, the prioritization of benefits in light of criticality, and the improvement of such plans. Also, the IT sector of the business should establish coherence arrangement on the areas that irregularities are expected. First, the regulation procedure should

provide the steps that will adequately reestablish basic information protection. The security of authorized access ought to be characterized legally to address organization and non-revelation necessities. Outsourced systems may also be implemented that will counter the risk, securities, and strategies are concerning data frameworks and the findings. The company ought to characterize a standard methodology for information proprietors to use while provisioning clients. Using the method, the client may acquire all the information (Fazlida & Said, 2015).

However, the data controller might have the capacity to assist limit access at the neighborhood (client) level. Despite the methodology utilized, the association ought to guarantee the procedure is successful at giving clients protection for their information contained in the systems (Albrecht et al., 2016) The observing procedure includes logging and controlling access to recognize suspicious activities in the system; this should be in such a way that a malpractice of any form is detected using prompts that will establish whether the user is authorized into the systems. It is additionally important that the organization have a repudiation procedure set up by which client access to basic frameworks might be immediately debilitated. The rate of the repudiation procedure is essential in specific circumstances, for example, when managing fired workers or bargained client accounts. In both cases, people with unpalatable goals may endeavor to get to and destroy budgetary reporting information (Shameli-Sendi, Aghababaei-Barzegar, & Cheriet, 2016).

Recommendations are made from the study that companies accept change control strategies to ensure that the course of action is exceptional and reflects appropriate business necessities. This requires the reorganization of the approach utilized to change organization and human resource strategies. Appropriate changes include structure upgrades and plans changes that may change corporate social responsibilities (Forrer & Seyle, 2016). The administration

ought to characterize a technique for improving the business coherence arrangement in an auspicious way to mirror every single significant change. The system ought to consider particular people in charge of starting and completing the progressions and ought to recognize the methods by which changes will be imparted over the company (Fazlida & Said, 2015).

Fazlida and Said (2015) argued that the association needs to evaluate its amplex all the time or upon basic alterations to the business or the framework of the information system; this requires watchful framework arranging, documentation, reporting effective framework test and as indicated by the outcomes acquired, executing a development arrangement. It is important that the common sense of this documentation be recognized through unsurprising testing. Testing ought to guarantee that the testing arrangement fulfills its goals and stipends the relationship to recoup positively. In particular, testing ought to guarantee that every single included individual is alright with the framework and can do their commitments. Crucial structures and supporting base can be advantageously reestablished, while off-site stockpiling of information and composing information technology projects is synchronized in live status. Test results ought to be kept up to standards to ensure that officially perceived issues have been resolved (Fazlida & Said, 2015).

Guadamillas-Gomez, Donate-Manzanares, and Skerlavaj (2010) argued that in the midst of the technique level control assessment, system designs that impact cash related reporting data must be recorded in stream outlines and records. The documentation should perceive the applications that are incorporated into essential techniques. In various circumstances, these applications are a part of an enterprise planning resource structure. Some of these include, SAP, Oracle, J.D. Edwards and Peoplesoft. A couple of information technology security controls should exist at the level of application to guarantee the reliability of budgetary reporting information. These measures are utilized to safeguard access controls; that regulates which

license data proprietors to bind customer benefits and specialist access controls (Guadamillas-Gomez, Donate-Manzanares, & Skerlavaj, 2010).

This study was limited to a population of forensic accountants who reside in the United States. It is imperative that future researchers try to target the population of a different jurisdiction in order to provide a comparative analysis of the data obtained in the two jurisdictions. A comparative study widens the scope of recommendations that can be offered in a study such as this since different jurisdictions tackle problems in a different manner. A comparative study also indicates the prevalence of a particular vice such as cybercrime in other parts of the world and thus, help nations come together and provide a universal and lasting solution to cybercrime activities. Further studies will help to understand cybercrimes that relate to financial safety of organizations and whether corporate social responsibility can suppress the appetite for cybercrime practices.

### **Conclusions**

Solid controls at the entry level are important to supplement the substance level control structure and guarantee the validity and reliability of budgetary reporting information. The control system does not suggest particular application controls. In this way, an option system is obligated to evaluate the security control measures that are instituted on the available system. Also, while looking over the IT security control environment at the technique level, books and examination of the efficiency of precise ERP structures may be useful (Beller, Lawrence & Lynn, 2014).

Definitively, this study prescribes that companies must coordinate SOA in financial reporting to check digital budgetary crimes. The Sarbanes-Oxley Act of 2002 requires affected businesses to analyze the layout and working suitability of the controls set up at both the

component and method levels. This requirement is critical to ensuring the accuracy of cash related reporting data (Anand, 2007). Regardless of the way that its fixings will change by the association, the closeness of a strong systems security control model is crucial to Sarbanes consistence. Without it, the organization should either reveal a critical insufficiency in the organizational internal control system or uncover the association's authentic officers to the individual commitment for the circumstance that they guarantee off base cash related malpractices. While the public institutions have not created systems to address IT security controls, as consistency attempts propel, the impact of the SOA on information technology security will be significant.

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## Appendix A: Survey Questionnaire

1. Do you believe your job involve cyberspace and cybercrimes on financial safety?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

2. Do you think role of CSR within a company is relevant and suitably achieves the goals of countering the internet and automated systems malpractices by stakeholders that may result in financial losses?

- Strong Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

3. Do you believe that the commitment of a company curbing cybercrime practices impact the company's financial loss?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

4. Do you believe that the company should generate strategies to efficiently deal with issues of cyberspace and cybercrime on financial safety or organizations?

- Strongly Agree
- Agree
- Neutral
- Disagree

Strongly Disagree

5. The motivation to maintain and support the implementation of strategic initiatives is essential for company's initiatives in curbing cybercrime practices that result to financial crimes

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

6. To track the success of strategic initiatives, the Company developed a set of key performance indicators or some other form of accountability based on cyberspace and cybercrime on financial safety.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

7. To evaluate on-going practices, the company has on-going CSR practices as it relates to strategic initiatives of curbing cybercrime practices that result to financial crimes

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

8. The attention paid to abandon, adjust or develop new strategies subsequent to the evaluation of the initial strategies of curbing cybercrime practices that result to financial crimes is very high.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

9. Do you have any further comments or suggestions for organizations that want to curb cybercrime practice?

10. Have you read the consent form and agree to participate, despite knowing the risks involved in the study.

Yes

## Appendix B: LinkedIn Search

The screenshot shows the LinkedIn search interface. At the top, there is a navigation bar with icons for Home, My Network, Jobs, Messaging, Notifications, Me, Learning, and Try Premium for Free. Below this is a search bar and a navigation menu with options: All, People (selected), Jobs, Content, Companies, Groups, and Schools. A banner ad is visible: "See Efficiency in Action. - Spend 70% less time on bill pay. Cloud AP/AR platform. Try Risk-Free Now! Ad ...".

The main content area shows "Showing 956 results". On the right, there is a "Filter people by" sidebar with the following sections:

- Connections:** Clear all (2). Options:  1st,  2nd,  3rd+.
- Keywords:**
  - First name:
  - Last name:
  - Title:
  - Company:
  - School:
- Connections of:**
- Locations:**
  - United States
  - United Kingdom
  - Australia
  - Greater New York City Area
  - London, United Kingdom
  - + Add
- Current companies:**

The search results list five profiles, each with a "Connect" button:

- Edgar Granados • 2nd**  
Forensic Accountant  
Phoenix, Arizona Area  
Current: Forensic Accountant at U.S. Department of Justice  
1 shared connection
- Eileen Ettinger • 2nd**  
Forensic Accountant at Travelers  
Phoenix, Arizona Area  
3 shared connections
- Avi Beliak, CPA, CFE • 2nd**  
Forensic Accountant at Arizona Corporation Commission  
Phoenix, Arizona Area  
Current: Forensic Accountant at Arizona Corporation Commission-Securities Division  
17 shared connections
- Christina Altringer, CPA, CFE • 2nd**  
Forensic Accountant  
Greater San Diego Area  
Current: Forensic Accountant at US Government Accountability Office  
3 shared connections
- Jennifer Mandrick, CFE • 2nd**  
Manager - Forensic & Litigation Services at REDW  
Phoenix, Arizona Area  
Current: Senior Forensic Accountant at REDW  
7 shared connections