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# The Influence of organizational culture and values in financial crimes prevention among technological multinational organizations in Kenya.

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**The influence of organizational culture and values in financial crimes prevention  
among technological multinational organizations in Kenya**



**Submitted in partial fulfillment of the requirements for the Degree of  
Masters of Commerce at Strathmore University  
Strathmore Business School  
Strathmore University  
Nairobi, Kenya**

**February, 2023**

## Declaration and Approval

### Declaration

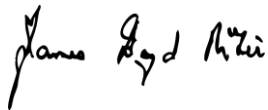
I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the proposal contains no material previously published or written by another person except where due reference is made in the thesis itself.

James Chacha Wambura [*Name of Candidate*]

### Approval

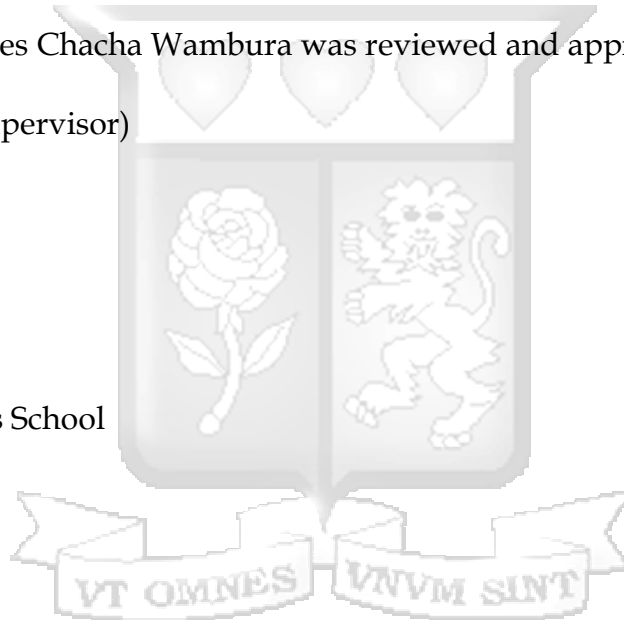
The proposal of James Chacha Wambura was reviewed and approved by:

Dr. James McFie (Supervisor)



24<sup>th</sup> March 2024

Strathmore Business School



## **Abstract**

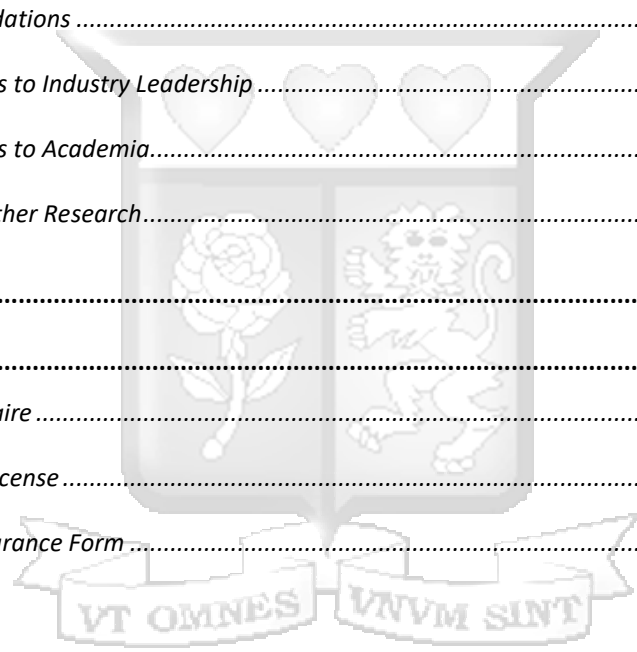
The unique cultural and regulatory obstacles that multinational technology businesses operating in Kenya encounter may have an impact on their vulnerability to financial crimes. Comprehending these distinct elements may facilitate the creation of more potent preventative measures. This study examined the influence of corporate culture and values on financial crime prevention in technology multinational organizations (TMOs) in Kenya. The specific objectives were: firstly, to determine the influence of organizational culture and values on financial crime prevention in technology multinational companies; secondly, to determine how dominant company values and culture influence financial crime prevention amongst those technology multinational companies; thirdly, to determine how the predominant culture of the TMO can be promoted amongst the workforce to assist financial crime prevention within the technology multinational companies and fourthly, to assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention. The study was supported by three theories: Compliance Theory, Rational Choice Theory, and the Theory of Convenience. The study employed a descriptive research design where the target population was made up of employees from across the three TMOs (Google, Microsoft, and Oracle) operating in Kenya. The study employed the purposive sampling technique to select 18 participants as the sample size. Qualitative data was collected through interview protocol, with the data being collected in January 2024. Qualitative data was analyzed using thematic analysis. The study's findings showed that corporate culture and corporate values influenced financial crime prevention at TMOs operating in Kenya. Also, corporate governance had a moderating effect on the relationship between the independent and dependent variables. Financial crime prevention is positively impacted by a number of elements of corporate culture, which entails giving employees a voice, long-term vision, raising the level of communication transparency, social responsibility and corporate values such as maintaining high ethical standards. The study's results inform the development of best practices and policies for financial crime prevention in technology multinational firms in Kenya and can be used to evaluate the effectiveness of existing policies and regulations in the country.

## Table of Contents

<b>Declaration and Approval .....</b>	<b>ii</b>
<i>Declaration .....</i>	<i>ii</i>
<i>Approval .....</i>	<i>ii</i>
<b>Abstract.....</b>	<b>iii</b>
<b>Lists of Figures.....</b>	<b>vii</b>
<b>List of Tables.....</b>	<b>viii</b>
<b>List of Abbreviations .....</b>	<b>ix</b>
<b>Definition of Terms.....</b>	<b>x</b>
<b>Acknowledgement .....</b>	<b>xi</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION TO THE STUDY .....</b>	<b>1</b>
1.1 Background to the study .....	1
1.2 Problem statement.....	12
1.3 Research Objectives.....	14
1.3.1 Main Objective .....	14
1.3.2 Specific Research Objectives .....	14
1.4 Research questions.....	14
1.5 Scope of the study .....	15
1.6 Significance of the study.....	16
1.6.1 Implications to policy.....	16
1.6.2 Implications on Industry Leadership.....	16
1.7 Chapter Summary.....	17
<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>18</b>
2.1 Introduction.....	18
2.2 Theoretical Literature Review.....	18
2.2.1 Compliance Theory .....	18
2.2.2 The Rational Choice Theory .....	21

2.2.3 Theory of convenience.....	23
2.3 Empirical Literature Review.....	26
2.3.1 Corporate culture and financial crime prevention.....	26
2.4 Conceptual framework.....	34
2.5 Summary of Research Gap.....	35
2.6 Chapter Summary.....	39
<b>CHAPTER THREE: RESEARCH METHODOLOGY.....</b>	<b>40</b>
3.1 Introduction.....	40
3.2 Research Philosophy.....	40
3.3 Research Design.....	41
3.4 Population and Sampling.....	42
3.5 Sampling Procedure.....	42
3.5.1 Sample size determination.....	42
3.6 Data Collection Methods.....	43
3.6.2 Data Collection procedure.....	44
3.7 Pilot Study.....	44
3.8 Research Quality.....	44
3.8.1 Reliability.....	44
3.8.2 Validity.....	45
3.9 Data Analysis.....	45
3.9.1 Operationalization of the variables.....	47
3.10 Ethical considerations.....	50
<b>CHAPTER FOUR.....</b>	<b>52</b>
<b>DATA PRESENTATION, ANALYSIS, AND INTERPRETATION.....</b>	<b>52</b>
4.1 Introduction.....	52
4.2 Response Rate.....	52
4.3 Demographic Characteristics of the Participants.....	52
4.9 Thematic Analysis.....	55

4.9.4 Objective 3: To assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention .....	74
4.10 Discussion of results .....	75
<b>CHAPTER FIVE.....</b>	<b>80</b>
<b>SUMMARY, CONCLUSION AND RECOMMENDATION.....</b>	<b>80</b>
5.1 Introduction.....	80
5.2 Study Summary .....	80
5.3 Conclusion .....	82
5.4 Study Recommendations.....	84
5.4.1 Policy recommendations .....	84
5.4.2 Recommendations to Industry Leadership.....	84
5.4.3 Recommendations to Academia.....	85
5.5 Suggestions for Further Research.....	85
<b>REFERENCES .....</b>	<b>86</b>
<b>APPENDICES .....</b>	<b>100</b>
Appendix 1: Questionnaire .....	100
Appendix II: NACOSTI License .....	105
Appendix III: Ethics Clearance Form .....	106



**Lists of Figures**

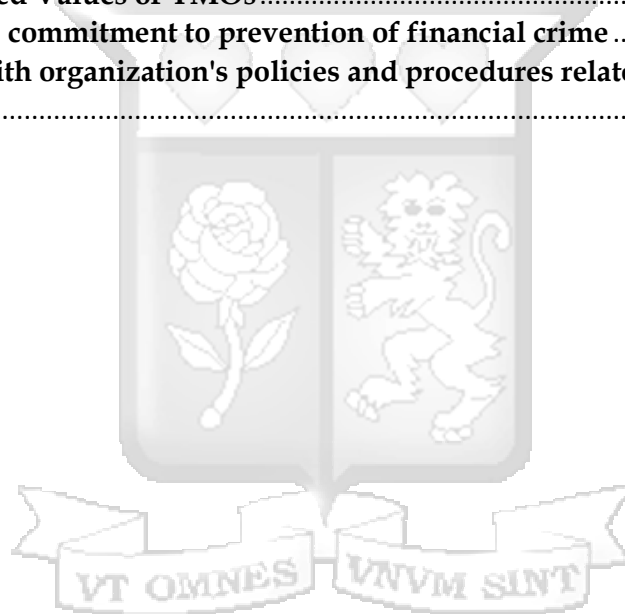
Figure 2.1: Dimensions influencing crime intervention in convenience theory .....23

Figure 2.2: Conceptual Framework .....35



## List of Tables

<b>Table 1.1: Costliest Frauds in Kenya (PwC, 2020)</b> .....	5
Figure 2.1: Dimensions influencing crime intervention in convenience theory .....	23
<b>Table 2.1: Summary of gaps in literature</b> .....	36
<b>Table 3.2: Operationalization of the variables</b> .....	49
<b>Table 4.1: Demographic Characteristics of the Participants</b> .....	53
<b>Table 4.2: Respondents' Demographic Characteristics</b> .....	53
<b>Table 4.3: The Level of transparency in communication</b> .....	57
<b>Table 4.4: The Adopted Values of TMOs</b> .....	58
<b>Table 4.5: Leadership commitment to prevention of financial crime</b> .....	74
<b>Table 4.6: Familiar with organization's policies and procedures related to financial crime prevention</b> .....	75



## List of Abbreviations

ACFE: Association of Certified Fraud Examiners

FATF: Financial Action Task Force

NACOSTI: National Commission for Science, Technology and Innovation

PWC: PricewaterhouseCoopers

TMOs: Technology Multinational Organizations

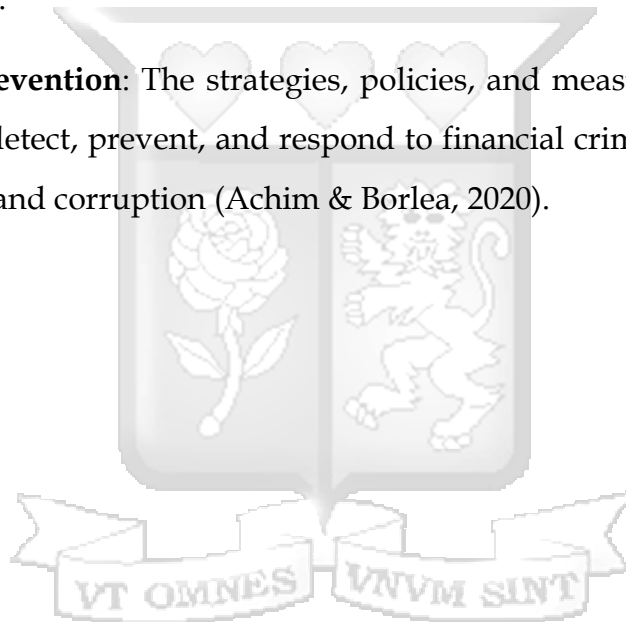


## Definition of Terms

**Corporate Values:** The core principles and ethical beliefs that guide the decisions, behaviours, and actions of an organization and its employees (Hirsch, 2019).

**Corporate Culture:** The shared norms, beliefs, behaviours, and practices that characterize an organization and influence its members' interactions and decisions (Graham et al, 2022).

**Financial Crime Prevention:** The strategies, policies, and measures put in place by an organization to detect, prevent, and respond to financial crimes, including fraud, money laundering, and corruption (Achim & Borlea, 2020).



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And to my girls, my cheerleaders, thank you.



# CHAPTER ONE

## INTRODUCTION TO THE STUDY

This chapter comprises of various subsections that include the study background, problem statement, research study objectives, research questions, study scope and the study significance.

Within contemporary economic environments, Technology Multinational Organizations (TMOs) grapple with a myriad of challenges, encompassing issues such as internal crimes that, persistently and over an extended period, have exerted a constantly detrimental impact on the seamless execution of their operational endeavours (Weiss & Wilkinson, 2018). Concurrently, an additional concern that looms large is the vexing spectre of non-compliance with the legislative frameworks established in the countries where these TMOs conduct their operations. This multifaceted challenge compels TMOs to navigate the intricacies of ensuring adherence to local legislation within the diverse spectrum of countries in which they operate, thereby introducing yet another layer of complexity to the landscape of their business operations.

### 1.1 Background to the study

Several notable instances of financial crime have occurred in recent years. In 2004, WorldCom faced a significant financial crime, wherein its assets were artificially inflated by \$11 billion, leading to the loss of over 30,000 jobs and \$180 billion in investor losses. An internal audit revealed fraudulent activities amounting to up to \$3.8 billion (Babatunde, 2021). Another case involved Enron, resulting in the dissolution of the international accounting firm Arthur Andersen. Lucent Technologies Inc. also found itself in legal trouble, as federal regulators charged the company with a \$1.1 billion accounting fraud. The allegations encompassed employee falsification of documents and engaging in undisclosed deals with

customers, leading to a fine of \$25 million for non-cooperation imposed by the U.S. Securities and Exchange Commission (Amina, 2021).

These examples illustrate the need for further research on the role of corporate culture in preventing financial crime. This study will examine whether such financial crime could have been prevented or minimised if the organizational values and culture were different. It is hypothesized that the amount stolen could be minimized if corporate culture in the affected organizations could be different, based on a positive ethos. In this context, the negative corporate cultural practices such as fraud could be avoided, hence minimizing instances of financial crimes. Research has shown that a strong ethical corporate culture, that emphasizes values such as integrity, accountability, and transparency, can reduce the likelihood of financial crime (Al-Swidi et al., 2021). However, little research has been done on the relationship between corporate culture and financial crime prevention specifically in TMOs operating in Kenya. This study aims to fill this gap in the literature by examining the corporate culture and financial crime prevention practices of Oracle, Google, and Microsoft in Kenya.

Globally, the financial world has benefited greatly from the globalization of financial systems, the increase in trading volume, and the speed of communication technologies. Yet, financial crime has unfortunately grown and become more diverse (Ünvan, 2020). Therefore, it is becoming more crucial to combat financial crimes, which are frequently sophisticated and well-planned. It is necessary to implement an all-encompassing policy that should involve all facets of society to address the fight against this kind of crime, which has emerged as a severe threat (Ünvan, 2020). According to the Association of Certified Fraud Examiners (ACFE) report of 2018 (Lamptey & Singh, 2018), fraud and financial crime-related activities have cost businesses around the world roughly 5% of their annual sales. Financial crime also negatively affects the share price, relationships with regulators, reputation and brand strength, business relationships, and staff morale (PricewaterhouseCoopers, 2020). According to PricewaterhouseCoopers (PWC, 2020), financial crimes are on

the rise, notably in the field of cybercrime. The fact that policymakers, legislators, and organizations still find it difficult to reduce the frequency of financial crime serves as a reminder of the pressing need for improved access to the fragmented body of existing knowledge to guide best practices in the fight against financial crime.

Regionally, Sub-Saharan Africa's financial industry is under serious threat from organised criminal gangs, financially driven nation-states, and individual hackers (Świątkowska 2020). The various risks faced by these companies consist of records theft, spying, interruption, extortion, and financial theft. These operations aim on using typically insufficient cybersecurity protections to alter the integrity of internal security controls and payment processing mechanisms. They rely on prior achievements against similar systems in the now more cyber-mature developed world. Malicious insiders have also demonstrated the will and capacity to take advantage of their access to privileged information and systems in order to steal from their companies.

Much of the developing world has not seen an elaborate advancement of cybersecurity standards due to a variety of reasons, including political controversies, economic limitations, civil unrest, poor infrastructure, and a general lack of awareness. However, assessments of these factors differ greatly among participating states. The size and diversity of the continent make it challenging to determine the overall condition of cybersecurity in Africa, yet there are certain common problems that draw determined threat actors to African cyberspace. Digital hygiene and public knowledge of cyber threats are generally lacking in Africa (Świątkowska 2020). Disseminating security materials is a challenge due to factors including linguistic variety and differences in English language proficiency (Kabanda et al., 2018). According to research conducted in 2019 (Świątkowska 2020), just 4% of information assurance specialists were based in Africa. Organisations' capacity to deploy appropriate cybersecurity policies and tooling was further hampered by an expected 100,000 cybersecurity professionals shortfall across the region by 2020 (Bernard et al., 2020). Most developing nations rely on antiquated, inadequately

secured, unlicensed, or poorly managed information security assets (Świątkowska 2020). The prevalence of pirated software in many African nations makes it more challenging to sanitise software before it is used: According to studies conducted in 2017, 90 percent of software in Zimbabwe and 89 percent of software in Libya was pirated (Kshetri 2019).

The issues presented by cyber threats, socioeconomic factors, and inadequate law enforcement are highlighted in the sub-Saharan African perspective on financial crime prevention among technology multinational corporations. Multinational corporations (MNCs) need to utilise efficacious approaches and tactics, like financial intelligence, risk prioritisation, technology and innovation, international collaboration, and public-private partnerships, to tackle these difficulties.

Locally, Kenya's approach to preventing financial crimes in technology multinational corporations (MNCs) is diverse, incorporating legal frameworks, institutional measures, and organisational methods. Guidelines have been implemented by the Capital Markets Authority (CMA) to stop money laundering and financing of terrorism inside the capital markets industry. These policies cover things like customer verification, risk-based strategies, and reporting questionable transactions (PwC, 2020). Statista showed that in 2020, 3,488 cases of economic crime were reported to the Kenyan police (Cowlin, 2023). This represented a drop from the previous year, when 4,786 economic offences were reported. However, 2019 saw the highest number of economic crimes registered since 2010. PwC's 2020 Global Economic Crime Survey found that 58% of Kenyan respondents have experienced economic crime in one form or another (table 1.1) during the previous years (PwC, 2020).

**Table 1.1: Costliest Frauds in Kenya (PwC, 2020)**

<b>Fraud</b>	<b>Rank</b>	<b>Percentage (%)</b>
Procurement Fraud	1	15%
Bribery & Corruption	2	14%
Accounting/Financial Statement Fraud	3	14%
Asset Misappropriation	4	12%
Customer fraud	5	12%
Money laundering & sanctions	6	12%
Others	7	21%
<b>Total</b>		<b>100%</b>

Kenya has seen rapid growth in the technology industry in recent years, with TMOs such as Oracle, Google, and Microsoft establishing a presence in the country. However, the rapidly growing and changing nature of the technology industry also increases the risk of financial crime (Akinbowale et al., 2020). It is important for the TMOs operating in Kenya to have robust financial crime prevention policies and procedures in place, as well as a strong ethical corporate culture to deter illegal or unethical activities. TMOs operating in Kenya are subject to the same cultural and regulatory challenges as other multinational firms operating in Kenya, but with the added dimension of the fast-paced, ever-evolving technology industry. TMOs are some of the companies that are heavily reliant on innovation and rapid changes occasioned by technological advancement such as machine learning, satellite and drone technologies. Rapid changes occasioned by rapidly changing products introduce complexity in these products and present a challenge even to understand the products; for example, the different cloud-based offerings. Fraudsters are then able to exploit these gaps and weakness in the offerings. TMOs operating in Kenya face unique challenges related to organizational culture and values. These challenges involve managing cultural diversity, balancing the values of the parent company with local cultural norms, and dealing with the unique regulatory environment in Kenya (Kariuki & Githinji, 2015; Mwaura & Othieno, 2018). These challenges can

impact the effectiveness of financial crime prevention measures and need to be considered in the context of TMOs in Kenya.

Corporate culture plays a significant role in shaping the behaviour of employees within an organization and can have a direct impact on the prevention of financial crime. Across the technology sector, multinational organizations operating in Kenya have been subjected to increased scrutiny by different governmental and international agencies in recent years due to the increased potential for financial crimes. This study on the role of corporate culture in the prevention of financial crime in TMOs in Kenya aims to examine the influence of corporate culture on reducing financial crimes within these organizations.

Strong organisational culture is crucial, even when additional steps are taken to ensure financial crime prevention, such as technological interventions. According to Deloitte (2014), financial crime prevention should start at the top and work its way down. The relationship between financial crime prevention and organisational culture has been the subject of several studies. However, there are few studies in Kenya looking at the relationship between financial crime prevention and corporate culture or values. Many scholarly articles in Kenya have examined the relationship between corporate or employee performance and organisational culture. For instance, Kising'u (2017) investigated how organisational culture affected commercial banks in Voi Sub-County's organisational performance. A questionnaire was used to gather data using the stratified random sampling technique. It was discovered that organisational performance is influenced by organisational culture. To reach a conclusion, the study sampled employees from a number of banks; however, the organisational cultures of the commercial banks may differ from that of the TMOs.

Also, Ayugu's (2015) study at the Kenya National Examination Council (KNEC) was able to establish a connection between ethical behaviour and organisational culture. The study looked at various aspects that affect moral behaviour in businesses. The

descriptive design was used. Results indicated that an environment at work that values honesty and integrity and pushes employees to think about the moral implications of their decisions tends to reward moral behaviour. Ayugu's (2015) study, on the other hand, was distinct from this current one because it concentrated on ethical behaviour, which is a far more expansive idea than financial crime prevention. Moreover, the study was carried out in the field of education making it a challenge to generalize the findings on the Technology Multinational sector.

According to Kimani's (2011) study on the fraud risk assessment plan in the context of Standard Chartered Bank Kenya, the bank should implement a six-step fraud risk management plan, incorporating development of an anti-fraud strategy. The bank's fraud specialist provided primary data, with a significant amount of secondary data being used as backup. The effectiveness of an anti-fraud culture in managing fraud risk was not shown by the study. Afande (2015) conducted research on the efficacy of regulatory policies in combating money laundering in Kenya. The study focused on two telecommunications service providers licenced to offer money transfer services and nine banks listed on the Nairobi Securities Exchange. Interviews and questionnaires were employed to gather primary data. The results showed that a variety of factors influenced Kenya's adoption of money laundering practices and that enforcing anti-money laundering regulations presented several difficulties. The study's scope was restricted to regulatory measures used in the fight against money laundering.

### **1.1.1 Organizational culture**

Organizational culture encompasses a broad spectrum of elements that collectively shape the character of a workplace. It is comprised of the organizational expectations, core operational framework, and practices that collectively serve as guiding principles for all team members, thereby influencing the behaviour of individuals within the organization (Lobschat et al., 2021). From varying perspectives, organizational culture is seen as a repository of the beliefs and attitudes held by employees within the company, profoundly influencing the

decision-making and operational processes within the organization (Isensee, Teuteberg, Griese, & Topi, 2020). This complex interplay of values, practices, and employee attitudes creates a distinctive organizational identity, setting the tone for interactions, decision-making, and the overall work environment, ultimately influencing the success and effectiveness of the organization in achieving its objectives.

### **1.1.2 Organization values**

On the other hand, organizational values refer to the identifiable beliefs and principles held by the people in the organization, and that help in driving a business forward (Cichosz, Wallenburg, & Knemeyer, 2020). Organizational values are useful in guiding the thinking and decision-making in organizations as well as the actions that define the course of the organizations (Cichosz et al., 2020). The values inspire key identifiable attributes in the company like honesty, integrity, and fairness. Moreover, organization culture also encompasses beliefs, values and behaviour patterns that often drive the organizational members to make definite choices or decisions. Guerra et al. (2020) argued that organizational culture entailed norms that all organizational members perceived at their working environment as the norms often influence the behaviour of employees at the workplace, hence aiding in attaining the key goals of organizations. The culture of an organization is a set of ways in which organizational members relate or interact with each other and other relevant stakeholders (Isensee et al., 2020). Azeem et al. (2021) concluded that organizational culture was a cohesive bond that linked both the human and nonhuman resources as a unit, to enhance better teamwork and positive performance.

Lam et al. (2021) explained that business managers often use organizational cultures to realize a disparity between organizations by comparing them with others. International Business Machines Corporation, Apple Inc. and Hewlett-Packard Corporation (HP) are some of the international TMOs operating around the world, with diverse corporate cultures incorporated in them. Apple Inc. adopts the culture of developing simple, elegant, and innovative customer products (Pathiranage et al.,

2020). IBM on the contrary, focuses on long-term thinking and enhanced employee commitment (Christopher & Edwinah, 2022). HP is pegged on autonomy of its employees and innovation as key elements of its corporate culture. Organizational culture aids in offering a favourable corporate governance environment and proper management. The effect of an effective organization culture on the performance of organizations has been appreciated by various business managers over the years. For instance, Warren Buffet, one of the global entrepreneurs, stated that organizational culture was a key construct in organizational performance (Isenset, 2020). The position of corporate culture is key, with regards to its influence in the expected organizational output at the end of every financial year.

### **1.1.3 Financial Crime**

Financial crime, as defined by the Financial Action Task Force (FATF), is any illegal act or attempt to evade legal requirements that involve the use of the financial system. This involves activities such as fraud, money laundering, bribery, and corruption. It can significantly damage an organization's reputation, financial stability, and legal standing. Financial crime has become a global concern, particularly with the rise in international terrorism, prompting inquiries into the financial origins and legitimization of gains from unlawful activities. Scholars have increasingly focused on financial crime in general, with money laundering emerging as a critical aspect (Trozze et al., 2022). The fundamental question guiding this field of study is multifaceted. Researchers explore not only the legal frameworks and regulations required to prevent these crimes but also alternative approaches involving behavioural and cultural factors. A prominent recent example is the Panama Leaks, underscoring that control mechanisms, governance, and regulatory frameworks alone are insufficient in deterring financial crime. This case highlighted the ongoing attempts by certain countries to attract investments through money laundering despite existing regulations.

Nicholls et al. (2021) delved into the influence of culture on tax evasion, while Mahmud et al. (2021) focused on culture's impact on bribery. This current study

aims to broaden the understanding of the relationship between culture and values and financial crimes, to add to the existing scholarly works. Regardless of the specific type of financial crime, concealment, money legitimacy, and the perpetrator's ability to freely use the proceeds are critical elements. The global business environment is becoming increasingly complex and dynamic, and TMOs operating in Kenya are not immune to these changes. One of the major challenges that these organizations face is the risk of financial crime, which can have severe consequences for both the company and its stakeholders.

### **1.1.3 Technological Multinational Organizations (TMOs)**

According to Cohen (2018), multinational companies are those business enterprises that have operations in more than one country. It is beneficial to consider the operations of the companies' particular industries while analysing multinational technology corporations. Multinational companies are a mix of different people and cultures who normally need to embrace and accommodate one another's culture to define and explore an effective operational medium for their profitability and sustainability (Verma et al., 2022). The effects of local culture on the multinational organizations might be gradual. Nonetheless, TMOs must realize this gradual process of adaptation and influence on the internal operation of the entity. Organizations need to seek to entrench their basic core values like transparency, honesty, integrity, and other values that may not be the same as the local values.

This means that the management of TMOs must find a managed way to influence people socially while attempting to achieve the objectives of the organization. In their operations, the TMOs majorly develop and sell software to customers and offer patches and support to ensure the software stays updated. This often separates the TMOs from direct financial crimes since most fraud related attacks are often external attacks into the already sold systems, hence affecting only the customers. Despite the attacks, the customers still have confidence in the products developed and sold to them by the TMOs. The current study will utilize the fraud prevention aspect as opposed to other aspects in fraud risk assessment, due to its ability to thwart fraud,

discourage it, and sometimes even eliminate the need for expensive investigations. Further, prevention is usually the most economical part of a fraud risk management system.

To mitigate these risks, TMOs in Kenya need to implement effective compliance programs that address financial crime. However, compliance programs alone are not sufficient to reduce financial crimes. The culture and values of an organization also play a critical role in deterring employees from engaging in fraudulent activities. Can a strong ethical corporate culture act as a deterrent to illegal or unethical activities, and promote compliance within an organization? This study aims to examine the relationship between corporate culture and financial crime prevention in TMOs operating in Kenya, specifically in Oracle, Google, and Microsoft. These three TMOs are relatively large and influential players in the technology industry. They are at the forefront of innovation and exert significant influence on the direction the technology industry takes as a whole.

By examining how they approach financial crime prevention and how their culture may facilitate or hinder those efforts, we may be able to draw broader conclusions about what works (or does not) in this domain. Each of these companies has faced scrutiny related to financial crimes in the past. For example, Google has been fined billions of dollars by the European Union for antitrust violations; Microsoft has faced allegations of bribery in foreign markets; and Oracle has been involved in several high-profile lawsuits related to fraud and false advertising (Chirita, 2021; Roszkowska, 2021).

Technological Multinational corporations in Kenya understand the value of corporate culture and values in their business operations. They have put policies into place to encourage honesty and diversity, alongside creativity. These businesses have also put in place stringent policies and processes, such as fraud prevention programmes, anti-money laundering initiatives, and adherence to national and international laws, to stop financial crime. For instance, Microsoft and Google Kenya

have put in place strong security measures, such as data encryption and protection, to thwart financial theft. Therefore, by studying how these companies have responded to these challenges and how their organizational culture may have contributed to or mitigated their risks, we may be able to glean insights that could help other companies avoid similar pitfalls.

The definition of a criminogenic organisational culture is not widely agreed upon, which makes it challenging to pinpoint particular cultural components that help or impede the prevention of financial crimes. Additionally, there is a lack of conceptual clarity regarding the elements of organisational culture; research offers only vague definitions of the concept and fails to pinpoint the precise elements of organisational culture that have an impact on the prevention of financial crimes. Numerous research works depended on tiny sample sizes, which might not accurately reflect the organisation as a whole or other comparable organisations. This demonstrates that there is a methodological disparity between the research. Furthermore, a knowledge gap indicates that the precise cultural components that help or impede the prevention of financial crimes have not been sufficiently defined by study, making it challenging to create practical victimisation prevention initiatives.

For the purpose of conducting a comprehensive yet manageable study, the researcher decided to concentrate on three randomly chosen corporations out of Kenya's twenty IT MNCs. The scope of this specific research study would not have allowed for the study of all 20 tech MNCs in Kenya. Inside the study's limitations, the researcher was able to carry out a more comprehensive analysis by focusing on three sample organisations.

## **1.2 Problem statement**

The prevalence of financial crime, including activities such as fraud, money laundering and bribery in TMOs in Kenya, is a growing concern (PwC, 2020). The negative impact of financial crime on an organization's reputation and financial stability can be severe due to loss of revenue especially when these organizations are

not able to recover quickly, to decreased investor confidence and to an increase in costs especially with legal and regulatory penalties. Traditional compliance programs may not be sufficient in preventing financial crime (Kuswati, 2020). For instance, as provided in the study background, in 2020, there were 3,488 occurrences of economic crime as reported to the Kenyan police (GoK, 2021; Cowlin, 2023). Therefore, in the rapidly evolving landscape of TMOs in Kenya, the effective prevention of financial crimes has become a concern (Hofmann & Jaeger-Erben, 2020). These TMOs operate within a dynamic global environment, characterized by intricate financial transactions and cross-border interactions (Gaur, Ma & Ge, 2019). As technological companies continue to expand their operations and navigate complex regulatory frameworks, it is imperative to understand how their organizational culture and values impact their ability to proactively mitigate and address financial crimes.

Further, most of the existing studies (PwC, 2020; Black & Green, 2019; Smith et al., 2021; Murithi, 2013; Omar et al., 2015) have been based on banks and other financial institutions, with not much attention on TMOs. This has left a significant gap in terms of the relationship, if any, between organizational culture and financial crimes in various TMOs in Kenya. The studies also reveals methodological flaws, such as the fact that descriptive statistics are frequently used for data analysis, which may leave room for incomplete understanding of the connection between organisational culture and the prevention of financial crimes. Due to a conceptual gap, it is challenging to pinpoint particular cultural components that help or impede the prevention of financial crimes. There is also disagreement about what exactly defines a criminogenic organisational culture. Regarding the knowledge gap, little is known about how criminalising attitudes and beliefs permeate organisational hierarchies and affect employee behaviour in relation to financial crimes.

The central research question that this study addressed is: What is the influence of culture and values on the effectiveness of financial crime prevention in Kenya? By investigating this relationship, this study seeks to provide valuable insights into the relationship between organizational cultural attributes and the implementation of

robust financial crime prevention measures, contributing to the enhancement of compliance, risk management, and ethical conduct within the Kenyan technological business sector.

### **1.3 Research Objectives**

#### **1.3.1 Main Objective**

The objective of the research was to determine the influence of organizational values and culture in financial crime prevention among technological multinational companies in Nairobi County, Kenya.

#### **1.3.2 Specific Research Objectives**

The specific research objectives of the study were:

- i. To determine the effect of corporate culture on financial crime prevention amongst technology multinational companies in Nairobi County.
- ii. To determine the effect of corporate values on financial crime prevention amongst the technology multinational companies in Nairobi County.
- iii. To assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention.

### **1.4 Research questions**

The research sought to answer the following questions:

- i. What is the effect of corporate culture on financial crime prevention in technology multinational companies in Nairobi County?
- ii. What effect does corporate value have on financial crime prevention amongst the technology multinational companies in Nairobi County?
- iii. To what extent does corporate governance moderate the relationship between corporate culture, values, and financial crime prevention?

## 1.5 Scope of the study

The research examined the operations of TMOs in Kenya, with a focus on how their culture and internal corporate values influence the prevention of financial crime. The scope of this research, therefore, was based on the need to determine the positioning and use of the culture by these companies. The geographical scope entailed TMOs operating in Nairobi County. The companies were Google, Microsoft, and Oracle. The companies were selected due to multiple factors as explained below. A total sample size of ninety employees from the three TMOs were chosen as the unit of observation.

These companies have achieved significant success in their respective domains, making them influential and indicative of trends in the broader tech sector. Studying their cultures can offer insights into the practices that contribute to their success. The three TMOs' corporate cultures have been shaped by their histories, leadership styles, and business strategies. Oracle is known for its focus on enterprise software, Google for its innovation and emphasis on employee well-being, and Microsoft for its evolution from a software-focused to a more broadly integrated technology company. By examining the diverse cultures of these companies, a broader understanding of the different approaches to organizational development was achieved (Azeem et al., 2021).

Innovation is a hallmark of the tech industry, and Oracle, Google, and Microsoft are known for their innovative approaches to technology and business. Studying how these companies foster innovation and adapt to changing market dynamics can provide insights into cultivating a culture that embraces creativity while at the same time staying agile to prevent fraud. Given their technological expertise as part of their corporate governance, technological companies leverage advanced tools and technologies for various purposes, including fraud prevention. While the specific tools may vary, the emphasis on leveraging technology for monitoring and detecting anomalies in financial transactions or user activities can be applied in other industries. While the specific strategies for fraud prevention may vary based on

industry and organizational context, the overarching cultural aspects and principles from these tech giants can serve as a foundation for building a robust fraud prevention framework in other multinationals. The sampled respondents from the three TMOs were interviewed using the designed interview guide on corporate culture and financial crime prevention. The data was collected in January 2024.

## **1.6 Significance of the study**

### **1.6.1 Implications to policy**

This study could be used to inform the development of policies and regulations aimed at promoting strong ethical values and a positive corporate culture within TMOs in Kenya. The researcher assumed that implementation of the findings from the study influences positively a better corporate culture across the sampled TMOs, by learning from their different cultures to reduce financial crimes. The study provided support for guidelines for ethical decision making, whistle blower protection, and the implementation of compliance programs. The findings of this study could be used to evaluate the effectiveness of existing policies and regulations and to identify areas where further action is needed to promote financial crime prevention. Advocacy for greater transparency and accountability in TMOs can be improved as a result of this study to help prevent financial crime.

### **1.6.2 Implications on Industry Leadership**

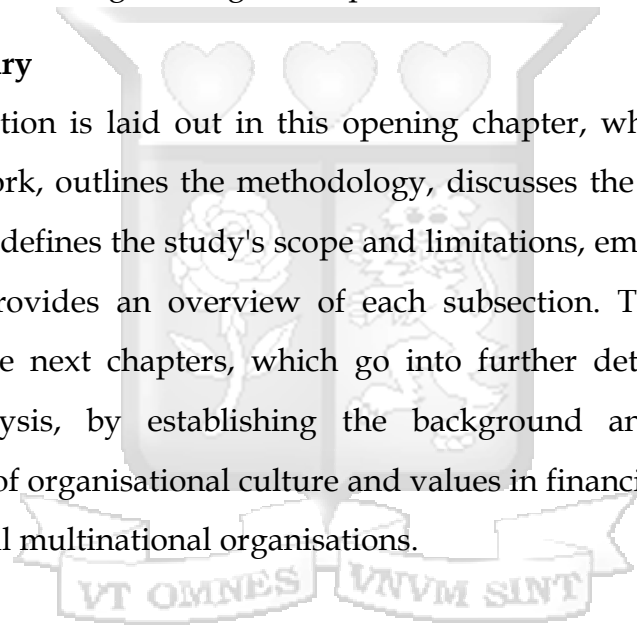
The findings from this study highlighted the role of senior management in setting the tone for ethical behaviour and the need for effective communication and enforcement of these values throughout the organization. This could be used to inform management's decision-making on creating and implementing policies and procedures that promote ethical behaviour and financial crime prevention. The knowledge from this study helps managers to create a sustainable and responsible business environment and avoid reputational, legal, and financial risks. This can be used to bridge the practical gap for TMOs.

### **1.6.3 Implications to Academia**

The research adds to the corpus of knowledge already available in the areas of organisational culture, values, and the prevention of financial crimes. It gives academics the chance to investigate and broaden theoretical frameworks, create original concepts, and produce empirical data about the connection between corporate culture, values, and the prevention of financial crimes. This fosters a deeper comprehension of the subject matter and advances the field's intellectual growth. The intricacy of organisational culture and values impacting the prevention of financial crimes, however, might be better captured by using a bigger sample size and a wider variety of data gathering techniques.

### **1.7 Chapter Summary**

The study's foundation is laid out in this opening chapter, which also covers the theoretical framework, outlines the methodology, discusses the issues, outlines the research objectives, defines the study's scope and limitations, emphasises the study's importance, and provides an overview of each subsection. The chapter lays the groundwork for the next chapters, which go into further detail on the research findings and analysis, by establishing the background and justification for examining the role of organisational culture and values in financial crime prevention among technological multinational organisations.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Corporate culture and values are integral components of any organization, and have been found to play a significant role in the prevention of financial crime (Maulidi & Asnell, 2022). This literature review examines the research done on the relationship between corporate culture and values and financial crime prevention to better understand the mechanisms by which a positive corporate culture and strong values can contribute to a reduction in financial crime within an organization. The review scrutinizes divergent views from different authors on the role of corporate culture in prevention of financial crime specifically in TMOs operating in Kenya.

### **2.2 Theoretical Literature Review**

The multi-theoretical framework of the literature review makes it possible to examine the study topic in a more comprehensive, intelligent, and original way. It produces a theoretical model that is more thorough and presents new directions for future research. Moreover, the procedure permits the investigator to expand upon the benefits of many theories to facilitate a more comprehensive analysis of the research subject. Thus, considering the issue from many perspectives helps to better grasp it. The researcher used a variety of theories to provide a more nuanced and contextualised explanation of the phenomenon they are studying. Several theories exist on the influence of corporate culture and values in the organization and can be related to financial crime prevention.

#### **2.2.1 Compliance Theory**

The notion of "compliance theory" was created by Amitai Etzioni in the late 1960s and early 1970s as a component of his larger social control theory framework. Compliance Theory posits that individuals will comply with the rules and regulations of an organization to avoid punishment and gain rewards. Rules and

regulations have a significant role in creating the norms and expected behaviour inside an organisation, making them essential parts of corporate culture. The theory points to the immense role of rules and policies as being integral in shaping the behaviour of the employees in the organization. According to the theory, an organization with a robust compliance system in place and clear consequences for non-compliance will have a lower risk of financial crime. Etzioni Compliance theory, explains how companies manage and direct the behaviour of their members (Lunenburg, 2012).

Kirimhan (2023) points out that one critique of compliance theory is the scant empirical data to back up its assertions. Moreover, although there exists some research bolstering the idea in certain scenarios, it needs comprehensive confirmation in a variety of regulatory environments. Additionally, there are worries that emphasising extensive compliance could result in lax enforcement and leniency, which could compromise the efficacy of rules. This might present chances for regulatory capture, in which entities subject to regulation have undue influence over the regulatory framework.

According to the theory, successful compliance is obtained when the organization's aim, the employees involvement strategies, and the power it uses to influence behaviour are all in line with one another. Coercive, utilitarian, and normative capacities were highlighted as three that organizations can employ to influence members' behaviour. Order goals, economic goals, and cultural goals are the three main objectives that organizations pursue, according to compliance theory (Gibson, 2014).

Coercive power involves using force and terror to regulate behaviour, by imposing severe penalties on those who disobey business rules (Gibson, 2014). Utilizing extrinsic rewards to influence behaviour involves using utilitarian power. One example is raising salaries for staff members who follow business rules. This strategy focuses on employing rewards—either material or immaterial—to manipulate

people's behaviour. The degree to which people are involved in this method and how they view the benefits and the organization's values will determine how effective it is. The normative strategy involves the use of intangible rewards to influence behaviours including instilling moral principles, establishing high moral standards, and defining moral goals. The normative strategy, which uses intangible rewards to shape behaviour and impart moral ideas, is more closely linked to values than culture. This strategy is in line with values since it seeks to uphold and encourage particular moral standards and ideals within the company. It aims to set moral objectives and high standards that staff members are urged to follow. Although the normative strategy is anchored in the fundamental ideals that direct behaviour, it can gradually impact and develop an organization's culture. Through a focus on moral principles and the establishment of elevated moral standards, the organisation aims to mould the culture and motivate staff members to live up to those ideals in their behaviour and decision-making (Lunenborg, 2012).

The direction that employees take toward the organization's exercise of power is referred to as involvement. Three categories of engagement were established by compliance theory: moral, calculative, and alienative involvement (Indik & Berrien, 2008). Members of an orientation known as alienative involvement tend to separate themselves and do not share the organization's values. A case of applying utilitarian power is when behaviour is influenced by extrinsic rewards. This strategy focuses on employing rewards—either material or immaterial—to influence employees' behaviour. This strategy will work or fail based on how well employees participate, how they view the incentives, and how they align with the values of the company (Gibson, 2014).

This theory clearly recognizes the pivotal role of leadership in shaping organizational culture and fostering a culture of compliance. Leaders set the tone for compliance by demonstrating commitment to ethical conduct, regulatory adherence, and accountability. They communicate expectations, allocate resources, and provide support to reinforce compliance efforts throughout the organization. Thus, the

theory was used to anchor the first and third objective of the study, with the variables corporate culture and corporate governance being supported by the theory. There is emphasis on accountability and responsibility on all level of the organization. Compliance theory has a profound influence on corporate culture by shaping norms, values, and behaviours related to ethical conduct, regulatory adherence, risk management, accountability, leadership, and continuous improvement. By embedding compliance principles into the organizational culture, organizations can foster a culture of integrity, trust, and sustainability while effectively managing legal and regulatory risks. Therefore, the theory was used to anchor corporate culture variable in this study.

### **2.2.2 The Rational Choice Theory**

The philosopher Adam Smith proposed Rational Choice Theory in the 18<sup>th</sup> century. The theory posits that individuals engage in criminal activities, including financial crimes, after carefully weighing the potential benefits against the perceived risks of being caught and facing legal consequences. The theory provides a framework for understanding how individuals make decisions within organizations. It is crucial to highlight that organisational culture can influence decision-making processes through the development of incentives, norms, and values inside the organisation. In this way, people's decision-making processes may be impacted by the cultural context in which they operate, which may have an impact on how much they perceive the costs and benefits of particular options.

Rational choice theory emphasizes the importance of incentives in shaping behaviour. In a corporate setting, incentive structures are designed to align individual interests with organizational goals and values. Employees are motivated to act in ways that are consistent with the organization's values when they perceive benefits or rewards tied to ethical behaviour. Rational actors within the corporation may choose to adhere to corporate values to maximize their own utility, especially when incentives are aligned with ethical conduct.

Rational choice theory is sometimes criticised for ignoring non-rational elements that influence behaviour, like feelings, moral principles, and social conventions (Zafirovski, 2018; Blau, 1997). These irrational elements may contradict the presumption of strictly rational computations and have a substantial influence on decision-making (Zafirovski, 2018).

According to Cornish and Clarke (1986), rational choice theory rests on the assumption that individuals are rational actors who seek to maximize their self-interest. They argue that potential offenders calculate the rewards and risks associated with criminal behaviour and make decisions based on their assessments. This decision-making process involves evaluating the potential monetary gains from financial crimes, the probability of being caught, the severity of potential punishments, and the personal factors influencing their choices. The theory highlights how organizations' internal controls and enforcement mechanisms can influence the perceived risks of committing financial crimes. Employees may be deterred from engaging in such activities if they believe the organization has effective monitoring and a high likelihood of uncovering misconduct.

The theory was used to support corporate values variable that contribute to the formation of the organization's identity, influencing the behaviour and decisions of its members. Rational actors within the organization may internalize these values and incorporate them into their decision-making processes. They may act in ways that are consistent with corporate values to maintain a sense of belonging and alignment with the organization's identity. This alignment strengthens the organizational culture and reinforces the importance of corporate values in guiding behaviour within the organization.

### 2.2.3 Theory of convenience

The Theory of Convenience in criminology was proposed by Marcus Felson, an American criminologist in 1990s as an extension of routine activity theory, focusing on how criminal opportunities arise due to changes in people's routines and behaviours. The theory was pegged on the significance of situational factors and everyday routines in place to create room for criminal behaviour. Moreover, the theory informs how changes in modern lifestyles, societal and technological factors in influencing crimes through providing convenience or opportunities for criminals.

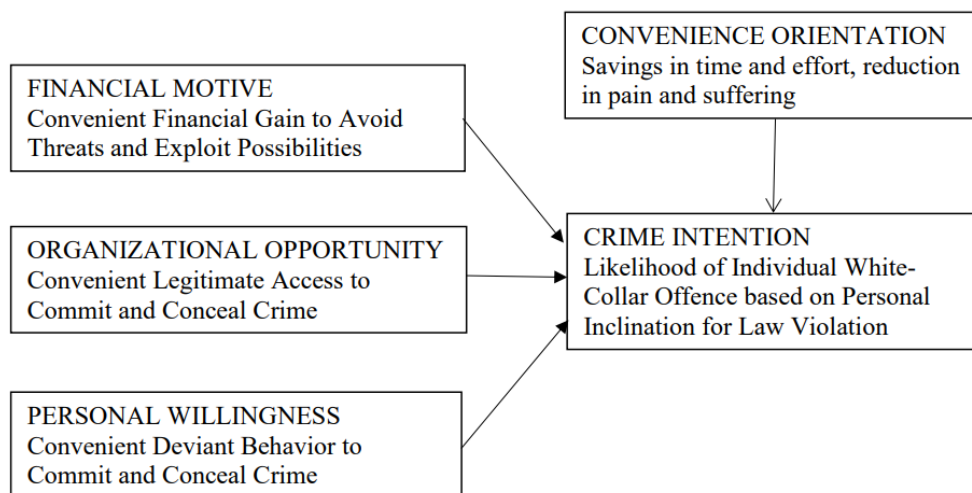


Figure 2.1: Dimensions influencing crime intervention in convenience theory

The Theory of Convenience posits that the core drivers behind white-collar criminal behaviour encompass motive, opportunity, and willingness. Represented in Figure 2.1, these elements collectively form a spectrum of criminogenic factors influencing the probability of law violations. It is essential to note that while the model depicted in Figure 2.1 may not predict which individuals will engage in criminal activities beforehand, it can offer valuable insights into strategies to potentially decrease the occurrence of white-collar crimes. Specifically, this model highlights the potential for actions aimed at reducing organizational opportunities, aligning with the premises of convenience theory. According to Steden et al. (2013), criminogenic factors are the underlying causes behind the offenses committed by individuals engaging in deviant acts. They argue that by identifying and understanding these criminogenic factors through research, there is a prospect to mitigate the risk of criminal

behaviour. Their perspective further suggests that the likelihood of crime escalates in tandem with the intensification of these criminogenic factors.

A fascinating question is raised concerning the relative significance of the three factors – motive, possibilities, and willingness – in relation to the incidence of white-collar crimes. Notably, the possibility of crime exists even in the lack of a likelihood, and it can still occur in the absence of a purpose and willingness. Depending on the circumstances, these characteristics' importance could change for both individuals and organisations. Schnatterly, Gangloff, and Tuschke (2018) distinguished between factors that are influenced by these dimensions that are internal and external. Aspects such as salary, goals, and board expectations are examples of internal motivators. On the other hand, investor expectations, relative success, and competitiveness are examples of external motivators. Individual authority, organisational intricacy, and the existence of institutional regulations and audits are the main internal opportunity variables.

Despite the fact that the theory has given important insights into how criminals make decisions, several issues and restrictions have been brought up. Critics contend that by emphasising opportunities and immediate environmental circumstances, the Theory of Convenience oversimplifies the decision-making process of offenders (Pickett et al., 2020). They contend that this restricted approach ignores other crucial elements like personal traits, societal effects, and long-term planning.

Conversely, business culture and conventions, industry technicality, and wider macroeconomic concerns are examples of external opportunity factors. When it comes to willingness, industry norms and the effects of globalisation are examples of external influences, whereas commercial culture, control inconsistencies, and societal frameworks are examples of internal variables. This distinction shows how these internal and external influences interact to alter motive, possibility, and willingness mechanisms in different environments and circumstances to differing degrees.

Organisation culture and values are passed down from generation to generation of employees. The conveyance process has the potential to impact people's opinions of what is acceptable and deviant behaviour within the organisation. If there is a culture of convenience and cutting shortcuts, people may be more likely to engage in deviant behaviour for personal gain (Schnatterly et al., 2018). Furthermore, organizational culture defines norms and limitations for behaviour within the organisation. These standards can either prohibit or promote convenience-driven aberrant behaviour. If an organization prioritizes integrity, honesty, and ethical behaviour, it fosters a culture that discourages self-serving deviation. On the other hand, if the organisation focuses on short-term achievements and rewards, it may unintentionally encourage people to participate in deviant behaviour for personal gain.

This theory is closely linked to financial crime prevention variable. The theory is anchored on stressing the importance of opportunity structure in facilitating or deterring financial crime. Individuals do conduct a cost-benefit analysis before engaging in financial crime. The theory of convenience suggests that when the perceived benefits of committing a financial crime outweigh the potential costs (e.g., risk of detection, legal consequences), individuals are more likely to engage in illicit activities. Preventive measures aim to alter this cost-benefit calculus by increasing the perceived risks and reducing the potential rewards associated with financial crime. The theory also underscores the importance of collaboration and information sharing among stakeholders in preventing financial crime. Preventive measures may involve fostering partnerships between public and private sector entities, sharing intelligence and best practices, and collaborating with law enforcement agencies and regulatory authorities to identify emerging threats and vulnerabilities and coordinate responses effectively.

The theory of convenience provides valuable insights into the dynamics of financial crime and the design of preventive strategies. By reducing opportunities for crime, enhancing deterrence, promoting ethical cultures, and fostering collaboration and

information sharing, organizations and financial institutions can mitigate the risk of financial crime and protect their assets, reputation, and stakeholders' trust. However, it's essential to recognize that preventing financial crime requires a multifaceted approach that addresses both systemic vulnerabilities and individual behaviors.

## **2.3 Empirical Literature Review**

### **2.3.1 Corporate culture and financial crime prevention**

Brown (2015) in his study investigated the role that moral disengagement plays in the justification of financial crime. The study's conclusions emphasised the value of favourable comparisons and demonstrated how people may "determine that the way they act seems somewhat appropriate by juxtaposition" as a result of hearing about outrageous accounting and reporting techniques. The emphasis of the current study is on the role that organisational culture plays in combating financial crimes. Although Brown (2015) does not specifically address organisational culture, his research on moral disengagement and positive comparisons can be understood as having something to do with the idea of organisational culture in general.

Murphy and Free (2016) in their study on the relationship between corporate culture and rationalization found that a business culture that is receptive to unethical behaviour increases the chance of financial crime. An instrumental climate, which encourages decision-making in the individual's or organization's best interests without regard for ethical concerns, is most conducive to rationalizing fraud. In such a scenario, employees can rationalize their actions through the belief that no one is watching. Additionally, social influence techniques used in business environments run the risk of assimilating staff members into unethical corporate values, beliefs, and conventions. Likewise, Suh et al.'s (2018) study lends credence to the notion that interpersonal signals from the workplace and colleagues may also significantly influence an employee's perception of suitable behaviour.

Okeke and Eiza (2022) in their study reported that internal controls and culture have a considerably bigger role to play in the fight against financial crime. Notably, a drastic change in culture and internal procedures is necessary, according to policymakers and the public, to restore public trust, increase worker recognition and motivation, combat the negative publicity many institutions have been receiving, and mend the reputational damage that has resulted from the situation. It would be useful, and necessary that the development of quality intervention frameworks geared towards preventing crime-related activities in the companies should come from within the organization (Okeke & Eiza, 2022). The culture of the organisation is closely linked to these kinds of intervention frameworks. Through the integration of organizational culture into the establishment of intervention frameworks, TMOs can devise customized and efficacious tactics aimed at curbing criminal activity. These frameworks have a greater impact and help to create an environment of integrity and compliance within the company when they are integrated into the culture and matched with values, ethics, leadership, and employee involvement.

The subject at hand emphasises the role that organisational culture plays in stopping financial crimes. It is possible to apply Okeke and Eiza's (2022) findings, which highlight the importance of internal controls and culture in preventing financial crime, to the setting of technology multinational corporations. Furthermore, the focus of the current study is on how values influence organisational culture. Although Okeke and Eiza (2022) do not address values directly, their findings about the contribution of internal controls and organisational culture to the prevention of financial crime might be interpreted as having a connection to the idea of organisational culture and values more broadly.

According to Mayhew and Murphy (2014) in their study on reporting choices and organizational culture as pertains to the manager-subordinate relationship, they discovered that participants excuse their transgression by shifting responsibility, and are substantially more likely to report incorrectly when given instructions to do so by an authoritative source. Likewise, managers who are committing fraud may try to

shift blame to subordinates. According to the study's findings, social dynamics matter in a workplace setting where employees are devoted to their managers and will go to great lengths to act in the business's best interests.

Trompeter et al. (2014) did a thorough assessment of neutralisation studies and concluded that neutralisation (occurring prior to an unlawful act) and rationalisation (produced after an act has been committed) are distinguished by their time. It is arguable, nevertheless, whether this distinction matters in the case of financial crime, since other studies claim that culture and values can function both retrospectively (to lessen unpleasant sentiments after the event) and proactively (to predict guilty feelings).

Omar et al.'s (2015) study concentrated on the connection between financial statement fraud incidence and corporate culture. The study examined empirical studies that were relevant to the research question through a methodical evaluation of the existing literature. The study defines financial statement fraud as intentional tampering of financial statements in order to mislead investors. The results show that an honest culture, especially among CEOs and other top officers significantly impact financial statement fraud. The likelihood of financial statement fraud is higher among company executives that put their own interests ahead of those of shareholders. But this study examined the relationship between organisational culture and financial statement fraud, which is only one type of financial crime.

Tsai (2011) carried out research on the connection between job happiness, leadership behaviour, and organisational culture. A cross-sectional study was conducted with Taiwanese hospital nurses as the main subject. A well-structured questionnaire was used to gather data. The associations between leadership conduct, work satisfaction, and organisational cultures were examined using correlation analysis. The findings showed that job happiness and leadership behaviour were favourably and strongly connected with organisational cultures, and that job satisfaction and leadership behaviour were highly correlated with each other. One of the most significant factors

in determining whether an organisation is a happy and healthy place to work is its culture. Employees' recognition and acceptance of the organisational values can have an impact on their attitudes and behaviour at work when it comes to conveying and promoting it to them.

Chang et al. (2019) found that a corporate culture that prioritizes compliance with laws and regulations is also positively associated with lower levels of financial crime. Values such as integrity and responsibility can also play a crucial role in shaping corporate culture and promoting ethical behaviour within organizations. Similarly, a study by Shim & Siegel (2010) found that organizations that prioritize these values and instill them in their employees are less likely to experience financial crime. A culture that promotes open communication and encourages employees to report any suspected fraudulent activity can also help to prevent financial crime (Persons, 2016).

Lau & Leung (2018) posit as well that when the corporate culture is poor with no anti-fraud principles, it can create an environment where employees may be more likely to engage in fraudulent behaviour. According to the PWC Global Economic Crime and Fraud Survey (2022), a large percentage of respondents admitted to having fallen victim to economic crime. Financial crimes have a major influence on an organization's revenue. According to the survey, nearly 20% of businesses with yearly revenues over \$10 billion reported losses of more than \$50 million due to only one particularly disruptive occurrence. Contrarily, businesses with annual revenues under \$100 million faced less fraud, with nearly a fifth of those businesses suffering losses of \$1 million or more. Profits are frequently severely hurt by situations like breach detection and clean-up costs, compliance fines, and lawsuits. Consequently, damage to the company's reputation may continue for years. Lau & Leung (2018) argue that organizations that have a strong corporate culture that emphasizes compliance with laws and regulations have a better chance of deterring financial crime in the organization. It is against such backdrop that this study explores the

influence of organization culture and values on prevention of financial crime in TMOs in Kenya

### **2.3.2 Corporate values and financial crime prevention**

Jamil et al. (2021) focused on the organizational values and norms that are linked to the existing culture and how they affect employees' stress levels as well as their identification with and loyalty to the firm. The study concentrated on the effects of pandemics on the levels of financial crime and different levels of regulatory compliance. The study did not, however, address the part that organizational culture plays in encouraging financial crime prevention. In their investigation of the Wells Fargo case in 2017, Zamry & Syafinaz (2019) found that employee misconduct not only affects specific departments but the organization. The current study can benefit from the use of Zamry & Syafinaz's (2019) findings about the organisational impact of employee misconduct. A culture that discourages unethical behaviour and encourages integrity must be fostered because of the impact misconduct has on the entire organisation. According to Zamry & Syafinaz (2019), organisations must take a comprehensive approach to addressing misconduct. This is consistent with the focus of the current issue, which is on how organisational culture and values can deter financial crimes. Organisations can reduce the likelihood of financial crimes by encouraging a culture of responsibility, openness, and moral behaviour.

Taylor (2018) argues that the relationship between corporate values and financial crime prevention is complex and that it is not only cultural values but also the governance structures and compliance systems in place that play a critical role in preventing financial crime. Kariuki (2015) explained that stronger anti-fraud corporate values are not sufficient on their own in preventing financial crime. He argues that companies need to have in addition strong internal governance structures and regulatory oversight to prevent financial crime. The financial crisis of 2008 exposed the inadequate attention paid by executives on the role of organizational values. However, the attention of the study was focused mainly on regulatory compliance and profit making. The reported crisis was experienced in

companies including Lehman Brothers, AIG and the Royal Bank of Scotland. Little attention was paid to organizational culture and value and its influence on financial crimes (dishonesty) among the employees, despite its huge effect on the crisis. The identification, assessment, and mitigation of risks, particularly misconduct and its causes, require holistic and methodical techniques.

A study by Black & Green (2019) found that operational stability is a critical concern, and financial crimes can disrupt normal business operations. They concluded that preventive measures help organizations maintain operational stability by reducing the likelihood of disruptions caused by investigations, legal proceedings, or financial losses. While financial crime prevention is a primary focus, it is essential to consider other aspects of fraud risk mitigation. This comprises of implementing internal controls, conducting regular audits, and promoting ethics and integrity within the organization (Smith et al., 2021). Effective employee training programs and the use of technology for fraud detection are also crucial components of a comprehensive fraud risk management strategy (Johnson & Brown, 2019).

Murithi (2013) looked into the financial performance of Kenya's commercial banks following the implementation of anti-money laundering (AML) laws. It was based on information obtained from 31 commercial financial institutions via a questionnaire. The level of transaction screening, the frequency of reporting, and the comprehensiveness of the produced reports were utilised to evaluate how well AML requirements were being implemented. Murithi (2013) assessed the number of staff members who were suitably assigned to supervise bank transactions in order to determine the efficacy of the regulations' execution. These included providing anti-money laundering (AML) training to staff members, setting up a centralised customer account-opening centre, implementing a customer verification and screening programme, allocating resources to combat money laundering, and having an audit function in place to assess and evaluate compliance programmes. Furthermore, Murithi's (2013) research revealed no link between corporate culture and deterring financial fraud.

Johnson and Brown (2019) highlight that understanding the financial impact of fraud is crucial for organizations to develop robust risk mitigation strategies. Legal and regulatory compliance is a central aspect of financial crime prevention (Jones et al., 2020). Scholars argue that a comprehensive understanding of regulatory frameworks is essential for organizations to establish effective preventive measures (Black & Green, 2019). Reputation management is another compelling reason to prioritize financial crime prevention. Davis (2019) stresses that instances of financial misconduct can erode trust among stakeholders, affecting an organization's reputation. Research in financial crime prevention contributes to the development of strategies that protect and enhance organizational image and stakeholder trust.

In this research, financial crime prevention is prioritized due to its overarching impact on an organization's financial health, legal compliance, reputation, and operational stability. Krambia-Kapardis (2016) and Gao et al. (2015) emphasize the need for a holistic approach that comprises of understanding the financial impact of fraud, compliance with regulations, reputation management, and maintaining operational stability through preventive measures. A comprehensive understanding of these aspects contributes to the development of effective strategies for fraud risk mitigation in organizations. Organizational culture on the other hand, can have a significant impact on financial crime prevention (Li & Tang, 2011). A positive organizational culture, characterized by values such as integrity, accountability, and ethical behaviour, can deter financial crime and promote compliance with financial crime prevention policies and procedures (Krambia-Kapardis, 2016). On the other hand, a negative organizational culture, characterized by values such as disregard for rules and lack of accountability, can increase the likelihood of financial crime (Gao et al., 2015; Li & Tang, 2011).

### **2.3.2 Corporate governance and financial crime prevention**

There is increasing recognition that leadership plays a crucial role in shaping the corporate culture and values of an organization. A study done by Johnson et al.

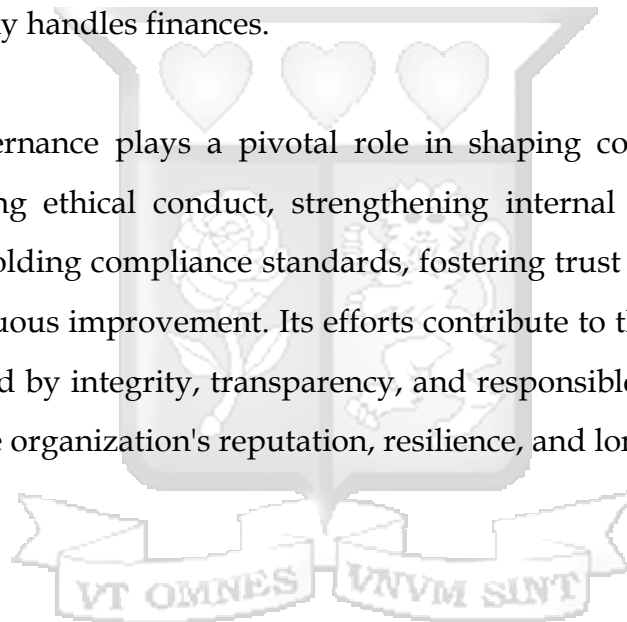
(2013) established that leaders who champion ethical behaviour and integrity are more likely to create a corporate culture and a set of values that also prioritize these behaviours. Additionally, Kim et al. (2017) found that leaders who actively communicate and reinforce the organization's values through training and other forms of communication are better able to create a corporate culture and set of values that prioritize integrity and ethical behaviour.

The role of a company's audit committee is essential to financial oversight and corporate governance (Kim et al., 2017). While there may not be a direct link between the audit committee and organisational culture and principles, there are significant indirect linkages. For example, the committee's dedication to moral principles contributes to the entire culture of the organisation and supports the ideals of honesty, transparency, and responsibility. The audit committee monitors the efficacy of the company's internal controls, which are intended to assure legal and regulatory compliance while also protecting the company's resources. By emphasising the significance of effective internal controls, the committee helps promote a culture of transparency, risk management, and appropriate behaviour throughout the organisation (Kim et al., 2017). Therefore, the committee has the ability to modify the association between financial crime prevention and company culture. Internal control and financial reporting for the company are supervised by the audit committee, which is normally composed of independent directors with financial experience. The audit committee's installation of efficient controls and risk management procedures improves accountability across the entire company. Strong company cultures that encourage moral behaviour and adherence to legal requirements are more likely to have an engaged and vigilant audit committee that supports and upholds them.

All things considered, the audit committee serves as a vital conduit between business culture and the suppression of financial crime. It guarantees the efficacy of internal controls, increases accountability, evaluates risks, and sets up reporting procedures (Kim et al., 2017). The audit committee's ability to play these

responsibilities can help to balance the connection between financial crime prevention and corporate culture, highlighting the significance of an ethical and compliance culture within the company. The existence of corporate governance can be considered part of an organization's culture, particularly when it comes to establishing a culture of financial integrity, transparency and responsibility. The formation and operation of an audit committee demonstrate the organization's dedication to good financial management and corporate governance. In this case, the culture of financial honesty, accountability, openness, and responsible governance is greatly enhanced by the existence of an audit committee. Subsequently, it shapes people's attitudes and behaviours within the company and establishes expectations for how the company handles finances.

The corporate governance plays a pivotal role in shaping corporate culture and values by promoting ethical conduct, strengthening internal controls, enhancing accountability, upholding compliance standards, fostering trust and confidence, and encouraging continuous improvement. Its efforts contribute to the development of a culture characterized by integrity, transparency, and responsible governance, which in turn enhances the organization's reputation, resilience, and long-term success.



## **2.4 Conceptual framework**

The dependent variable, financial crime prevention, refers to the outcome or effect that is being measured in the study. Financial crime prevention measures can be assessed by the number of financial crime incidents reported. The independent variables, corporate culture, and values, refer to the variables that are being manipulated or measured to determine their effect on the dependent variable. The corporate culture was itemized as the level of employee training, financial crime

prevention approaches and policies and procedures. The corporate values are comprised of integrity, transparency, and ethical behaviour.

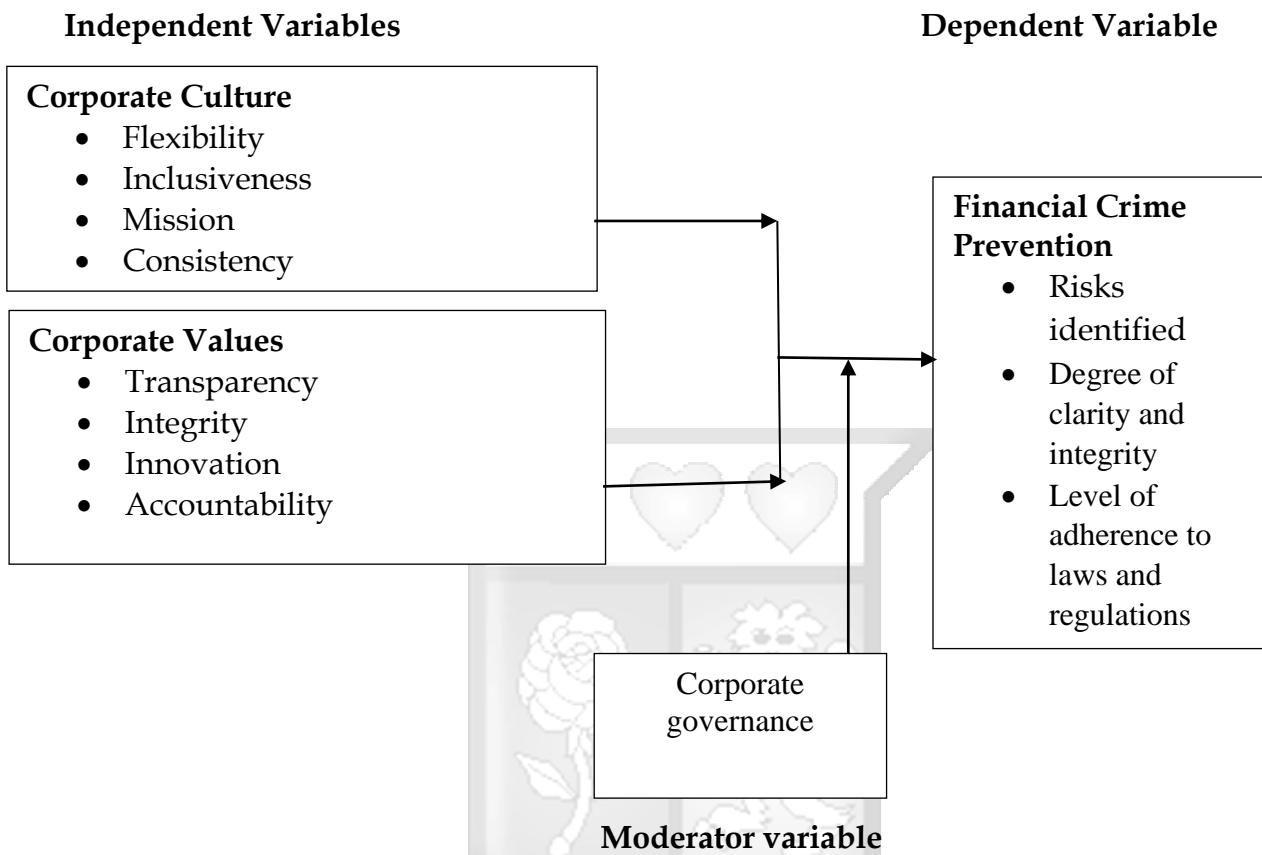


Figure 2.2: Conceptual Framework (Source: Researcher, 2023)

## 2.5 Summary of Research Gap

A noticeable research gap exists concerning the impact of company culture and principles on financial crime prevention in TMO large corporations operating in Kenya, despite the fact that the body of literature on the subject is expanding.

First, most research on the topic of corporate culture and financial crime prevention has been done in developed nations, which leaves a vacuum in our knowledge of the potential effects that Kenyan-specific cultural and economic characteristics may have on the relationship between organisational culture and financial crime prevention in TMOs doing business there. Hofstede's cultural aspects are essential for understanding varied workplace cultures in a more comprehensive way. Power distance, individualism vs collectivism, masculinity vs femininity and uncertainty

avoidance are key cultural dimension constructs that are rich in building the current study, to understand the varied views of corporate culture and financial crimes. Second, there is a lack of research specifically examining the role of corporate values in financial crime prevention in TMOs in Kenya. While the literature generally suggests that values such as integrity and compliance can help to prevent financial crime, it is unclear how these values may be translated and implemented in the Kenyan TMO context.

Third, the literature on financial crime prevention in TMOs in Kenya is limited, with a lack of studies examining the specific strategies and processes that these firms use to prevent financial crime. This research gap leaves a lack of understanding of how TMOs operating in Kenya are addressing financial crime prevention, and what specific challenges they may face. Finally, most of the research has been done on financial crime prevention in the banking sector and not much is known about the specific challenges and strategies used in other sectors such as telecommunication, manufacturing, and other service sectors.

In summary, there is a need for further research on the influence of corporate culture and values on financial crime prevention in TMOs in Kenya. This research could help to fill the gap in understanding how cultural and economic factors unique to Kenya may influence the relationship between corporate culture and values and financial crime prevention and could also provide insight into the specific strategies and processes that these firms use to prevent financial crime.

**Table 2.1: Summary of gaps in literature**

<b>Author (year)</b>	<b>Topic</b>	<b>Methodology</b>	<b>Results</b>	<b>Research gap</b>	<b>Contribution of the current study</b>
Yamen et al. (2017).	The National culture's influence on financial crime.	The study is based on a cross-country analysis.	According to the findings, financial crime rises in nations where the population exhibits low	There was no clear indication of the interplay on how cultural elements mix with legal	The current study themes as identified provides a direction on how regulatory

			levels of individuality, high levels of masculinity, low levels of uncertainty avoidance, and low levels of a long-lasting orientation.	and regulatory frameworks to impact the prevention and identification of financial crimes. This showed a contextual gap	framework and corporate standards influence financial crime prevention.
Tsai (2011)	The connection between job happiness, leadership behaviour, and organisational culture.	Cross-sectional survey was the main method	The results demonstrated that leadership conduct and work satisfaction had a substantial correlation with one another and were positively and strongly correlated with organisational cultures.	The study fell short in describing the causation and directionality of the connections among organisational culture, leadership style, and work satisfaction. This revealed a methodological gap.	The current study conducted correlation and regression analysis to provide key relationships between variables of the study.
Jamil et al., (2021).	The effects of pandemics on the levels of financial crime and different levels of regulatory compliance.	Descriptive research survey design was used.	This study discovered an increase in cybercrime but a decrease in physical crime when it came to financial crime tendencies. However, this analysis found that	The variables used might vary throughout organisations, which makes it difficult to generalise research results and create frameworks that apply to all	In-depth analysis was done in the current study to comprehend the standards and values of the organisation. This involved collecting information

			regulatory compliance was not at a sufficient level.	organisations . This revealed a contextual gap in the study.	on employee experiences and perspectives through questionnaires and interviews.
Banik & Lin, (2019)	Business and morals	Exploratory research design was used.	Business, ethics, and economic progress are closely related.	The survey might not have included a representative sample of the TMOs landscape because it only looked at a small number of Chinese businesses. The study revealed a methodological gap.	The current study includes the TMOs representation results.
Hazaea et al., (2020)	The impact of internal audit quality on the financial decision-making process	Descriptive research design was used.	The calibre of corporate governance through internal auditors has a positive and substantial influence on financial decision-making.	The study did not show how the internal audit process's efficacy was impacted by the frequency of audit committee meetings. This revealed a conceptual gap in the study.	It is key that corporate governance and organization leadership considers all corporate structures to ensure proper governance an allocation of resources.

Charlopo va et al. (2020). (pp. 39- 59). Emerald Publishin g Limited.	The justification s used by fraudsters for financial crimes. In Corporate fraud exposed	Cross- sectional study	Since organizational silos and hierarchical structures might result in a greater number of "moral disengagement" mechanisms, the idea of anti- rationalization is probably particularly significant in organizational settings.	The majority of the study's content was theoretical, with minimal empirical work done to confirm the variable correlations. This revealed a conceptual gap.	The current study utilized field research to qualify the study variables
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## 2.6 Chapter Summary

The literature reviewed in this chapter suggests that corporate culture and values play a critical role in the prevention of financial crime. Leaders who model ethical behaviour and integrity, and actively communicate and reinforce the organization's values, are better able to create a corporate culture and set of values that prioritize these behaviours. Different authors have also had divergent views that corporate culture and values cannot solely influence financial crime prevention. Further research is needed to better understand the mechanisms by which a positive corporate culture and strong values contribute to a reduction in financial crime within a TMO.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter explains the approaches to be used for selection of the target population to ethical considerations. It comprises of the research design, target population, sampling technique, data collection instruments, data collection procedures, pilot study, reliability and validity, data analysis and ethical considerations.

### 3.2 Research Philosophy

Research philosophy in qualitative studies refers to the set of beliefs, assumptions, and paradigms that guide the researcher's approach to conducting research, interpreting data, and understanding the nature of reality (Poucher et al., 2020). It serves as the foundation upon which the research design, methods, and analysis are built.

A framework that sets guidelines for doing research based on assumptions about existence and the basis of understanding is known as a research philosophy (Collis & Hussey, 2014). The two primary schools of thought in research are interpretivism and positivism. These two schools of thought reflect the two fundamentally different ways that humans interpret the world around them. According to positivism, reality exists independently of humans and can thus be observed objectively by researchers.

The interpretivist research philosophy served as the foundation for this research project. The belief that positivism could not adequately serve the needs of social scientists gave rise to interpretivism (Collis & Hussey, 2014). Building on results from a relatively small sample size (Collis & Hussey, 2014), it is concerned with delving into the intricate details of social phenomena by accomplishing an empathic comprehension of how the participants in the study view their surroundings (Saunders et al., 2012). It is important to note that the philosophy of interpretive research is consistent with the methods used by researchers to learn about the context of the issue, comprehend behaviour, and analyze culture to develop empathy for the users. Additionally, design research attempts to interpret results to produce theories regarding the nature of the issue and potential fixes.

### 3.3 Research Design

The present study employed a descriptive research design to gather qualitative data and address the research inquiries. A descriptive research design refers to a systematic approach aimed at gathering data to comprehensively characterize a specific phenomenon, condition, or population. Rather than placing emphasis on the reasons behind a certain phenomenon, this approach actively aids in addressing the specific aspects of the study topic, including the nature, timing, location, and methodology (Creswell & Creswell, 2017). The rationale for selecting a descriptive qualitative research approach in this study is based on its capacity to facilitate a comprehensive exploration of the perspectives and lived experiences of respondents concerning the topic of study. The study is judged appropriate for qualitative research due to its critical role in improving understanding of the importance that individuals and groups attach to the notion of corporate culture and value, while also capturing the subjective experiences of participants (Tomaszewski et al., 2020).

This study used an inductive, qualitative research approach that is consistent with the interpretive research philosophy. When data is gathered, meanings can be extracted to find patterns and relationships using an inductively based analytical approach. A theory is developed because of this kind of analysis (Saunders et al., 2012). This study aims to provide insights about appropriate business practices by investigating the social phenomenon of financial crime prevention strategy in organizations. Therefore, the best strategy for accomplishing the research's goals is interpretivism, which is combined with the natural approaches of qualitative research and inductive analysis techniques.

In contrast to the prevalent positivist research philosophy approach of quantitative research, qualitative research permits a flexible data collection procedure. For instance, data collection can be done in phases as opposed to all at once, and the researcher can modify the procedure as needed. During the process, the researcher may choose to add or remove certain questions based on what they learn.

Furthermore, qualitative research allows the investigator to keep gathering and examining data until they determine that no new problems are arising (Denscombe, 2014). Words or visual representations gathered through participant engagement and observation make up data in qualitative research (Denscombe, 2014).

### **3.4 Population and Sampling**

The group to which the study's conclusions may be applied is referred to as the study population. The target population were the employees from three TMOs (Google, Microsoft, and Oracle) operating in Kenya. It was not easy to identify the exact population size across the three TMOs (HR report, Google, Microsoft, and Oracle, 2023). The employees from the three TMOs served as the unit of observation. On the other hand, the unit of analysis comprised of the TMOs chosen for this study.

### **3.5 Sampling Procedure**

A sample is a small portion or subset of the entire population (Lakens, 2022). Getting a representative sample of the population is the main goal of sampling to draw conclusions and inferences about the population. The primary goals are to reduce expenses and increase productivity, all the while increasing data collecting accuracy (Tomaszewski et al., 2020). The study employed the purposive sampling technique to select participants. Purposive sampling was used since it is crucial to choose participants who can advance our knowledge of the main phenomenon (Creswell & Creswell, 2017).

Snowball sampling was applicable in a few cases where potential research participants claimed not to personally have the relevant experience and therefore refers the researcher to other, more eligible potential research participants within the respective companies.

#### **3.5.1 Sample size determination**

The researcher focused to reach data saturation – the point when adding more participants to the study does not result in additional information (Young & Casey,

2018). A sample size of 18 respondents from all the companies was used for the study. This comprised of six from each of the three TMOs.

Table 3.1: Sample size

Category	Sample size population
Google	6
Microsoft	6
Oracle	6
Total	18

(Author, 2023)

### 3.6 Data Collection Methods

Qualitative data was collected through Key Informant Interviews (KIIs). In this case, a structured interview protocol was utilized during the data gathering process. The interviews were conducted according to the interview procedure, which guarantees that all questions and responses are directly relevant to the study's objectives.

#### 3.6.1 Key Informant Interviews (KIIs)

The primary data collection method for this study involved conducting in-depth interviews (Rutakumwa et al., 2020). Those with knowledge of the topics being investigated are referred to as key informants (Lokot, 2021). Key informants for this study were chosen according to their level of leadership within the TMO organizations sampled. Each interview lasted approximately 60 minutes and was conducted face-to-face. The researcher took notes during the interviews.

In-depth, nuanced examinations of social life and subjective experience can be achieved through the rich and valuable data that interviews can offer (Dickson-Swift et al., 2007). To fully investigate the topics being studied, the researcher takes an active role in the investigation. In this instance, the researcher takes charge of conducting the interview and making sure the subject stays concentrated on the assigned subject. In-depth interviews with senior management and compliance staff

were conducted to gather qualitative information about the corporate culture and financial crime prevention strategies of the chosen TMOs in Kenya. The goal of the interviews was to gather information on the standards, values, and beliefs that shape the corporate cultures of the companies, as well as the specific guidelines and practices employed to discourage financial crime.

### **3.6.2 Data Collection procedure**

The data was collected from the proposed respondents using a single researcher. The introductory letter was issued to the organization (TMO); then the management assigned different officers to be engaged in the study. The interviews were conducted across the sampled TMOs in Kenya. Some of the interviews were conducted over phone conversations, which also allowed the researcher to speak with people that were not accessible for face-to-face conversation. Using phone conversation guaranteed participants' anonymity.

### **3.7 Pilot Study**

Piloting is a process in which the study questionnaires are pretested with a smaller representative sample, geared at examining the existing biases that may be realized (Malmqvist et al., 2019). The instrument was pretested at Nescom Kenya in Nairobi City, before the questions were later asked to the intended respondents. The research questionnaire was improved after the pre-test was done.

### **3.8 Research Quality**

#### **3.8.1 Reliability**

Reliability is considered as the measure of consistency associated with the results from the tests imposed on the instruments. It measures the degree to which the proposed research instrument realizes consistent results when the study is repeated. Reliability analysis was done using Cronbach Alpha for the different items provided under each study objective or variable. As explained by Wallen & Fraenkel (2013), an instrument with an alpha value of 0.7 and above is considered appropriate for

adoption. In the event of a low Cronbach alpha value below 0.7, the items were modified accordingly to ensure the expected reliability is met.

### **3.8.2 Validity**

Validity is considered as the accuracy of inferences linked to the findings. The changes in terms of the appropriateness of the measures was done after pre-testing had been done on the instrument. In this study, content validity was ensured with the assistance of the supervisor (Blumberg et al., 2014). Validity establishment is essential to guaranteeing the calibre and reliability of research outcomes. Scholars utilise several methodologies, including expert review, statistical analysis, and pilot testing, to assess and improve the validity of their research. In research, it is crucial to take into account several forms of validity. Content validity refers to the degree to which the measuring tool addresses every pertinent facet of the idea being assessed. The degree to which the operational description of a variable accurately captures the theoretical idea being assessed is known as construct validity.

### **3.8.3 Credibility**

Credibility pertains to the veracity of qualitative research, denoting the extent to which the conclusions drawn from the study are accurate and valid (Johnson et al., 2020). It partially depends on the researcher's trustworthiness and the methodologies used in the research. Triangulation, extended interaction with data, continuous observation, analysis of negative cases, validation of participants, and adequacy of referential information are all methods that were used to enhance the credibility of this qualitative study. This study involved conducting supervisory analysis on the information acquired from in-depth interviews. This entailed condensing every specific element and identifying the common underlying patterns that are coherent, which ultimately generated the fundamental observations discovered in the investigation.

### **3.9 Data Analysis**

The qualitative data collected from the interviews were analyzed using thematic analysis. The findings were triangulated to provide a comprehensive understanding of the relationship between corporate culture and financial crime prevention in TMOs operating in Kenya. The findings were organized in themes explained by excerpts and supporting codes. This addressed the research objectives based on the relevant responses provided for each question. Moreover, the demographic information of the respondents were explained in tables to offer a clearer view of the respondents. Creswell and Creswell (2017) state that organizing, transcribing, analyzing recurring themes, and interpreting qualitative data are all part of the process. Sorting, coding, and theme identification are necessary steps in the data analysis process for qualitative research (Tomaszewski et al., 2020).

The interview was transcribed verbatim, but to streamline and improve readability, unnecessary words were removed. Three steps are involved in the coding of qualitative data, each of which is covered in more detail below (Alase, 2017). The first step in the coding process involves transcribing data from notes (Green & Thorogood, 2018). To collect descriptive data, short coding was applied. The word "code" in this sense refers to a phrase or word used in the process of describing language- or image-based data. But this kind of coding gives the researcher the data they need to help them answer the research questions. During this phase of the study, the investigator used codes to search for pertinent data regarding the phenomena. The data was categorized in the second step of organization. According to Asenahabi (2019), axial coding is the third level of coding that shows related items and the relationships that connect them.

### **3.9.1 Operationalization of the variables**

#### **3.9.1.1 Corporate Culture (Independent variable)**

Corporate culture was used as an independent variable in this study. The variable denotes a set of attitudes and practices that direct the interactions and out-of-company business dealings between a company's employees and management. As one of an organization's most important non-material assets, corporate culture is regarded as an independent variable that has a big influence on financial crime prevention within the organisation (Joseph & Kibera, 2019). Because organisations' responses to new circumstances – both internal and external – are influenced by their prevailing cultures, academics contend that corporate cultures help organisations adapt to changes in the external environment and foster internal integration. Thus, corporate culture analysis aids management in comprehending financial crime prevention strategies better (Colyer, 2000; Schein, 2016; Joseph & Kibera, 2019).

A key component of creating a robust company culture is inclusion, which denotes shared accountability and ownership (Khan et al., 2020). In order to improve employee performance, this element aims to convey to staff members that they are an actual member of the leadership team, fairly contribute to decision-making, and are informed and invested in their work (Khan et al., 2020). The foundation for managing harmony and cooperation within an organisation is consistency. According to Awadh and Alyahya (2013), consistency has a major impact on an organization's productivity and efficacy. It also makes it easier for members of the same cultural group to share and utilise resources and knowledge. According to Twumasi-Ankrah (2012), consistency is a quality that helps organisations create internal governance structures by fostering policies and practices that are responsive to the perspectives of all relevant parties. The ability of management to recognise and react to external contexts is known as flexibility (Schein, 2016).

#### **3.9.1.2 Corporate values (Independent variable)**

This study uses the corporate values as an independent variable. Company values are essentially the ideas, precepts, and convictions that guide your enterprise (Joseph

& Kibera, 2019). These principles are frequently linked to client connections, business partnerships, and organisational expansion. Employee performance can be influenced by company standards that are held to. Establishing and upholding business principles can motivate employees to dedicate themselves to a much greater standard. The current study will use various constructs to measure corporate values such as integrity, accountability, innovation, and transparency.

### **3.9.1.3 Financial crime prevention (dependent variable)**

Financial crime prevention is applicable in this study as the dependent variable. The existence of a strong framework for preventing financial crime is considered a crucial indicator of financial crime prevention. As per Skandalis (2017), a comprehensive framework to combat financial crime ought to encompass heightened due diligence, an efficient risk monitoring system, evaluation of third-party risks, and the determination of beneficial ownership. Skandalis (2017) goes on to say that a corporate culture based on ethos, rather than a list of regulatory requirements, is what constitutes an effective framework for preventing financial crime. Its efficacy will be assessed based on financial risks identified, the degree of clarity and integrity that organisations adopt, rather than how closely they adhere to laws and regulations.

### **3.9.1.4 Corporate governance (Moderating variable)**

The moderating component in the association between financial crime prevention and company ethical standards was the feature of corporate governance. This is done to determine whether the type of management or administration that the business employs affect the connection between financial crime prevention and corporate culture/values. The evaluation of the moderator effect was predicated on the knowledge that financial crime prevention is impacted by corporate governance. Financial crime prevention can be impacted by corporate governance in both positive and negative ways (Tulung & Ramdani, 2018; Heng et al., 2012). Therefore, it is anticipated that this study will be able to clarify how corporate governance

through the audit committee affects the connection between financial crime prevention and the culture of a company.

The audit committee as part of corporate governance is regarded as an essential component of corporate governance regulations. The audit committee is responsible for supervising the protocols and mechanisms involved in disclosing financial data to stakeholders (Endrewes et al., 2020). The corporate governance guarantees that management effectively establishes and enforces a suitable culture to address and reduce organisational deficiencies (Sharhan & Bora, 2020).

**Table 3.2: Operationalization of the variables**

<b>Variables</b>	<b>Category</b>	<b>Indicators</b>	<b>Metrics</b>	<b>Data analysis approach</b>	<b>Measures</b>
Corporate Culture	Independent variable	<ul style="list-style-type: none"> <li>• Flexibility</li> <li>• Inclusiveness</li> <li>• Mission</li> <li>• Consistency</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction surveys</li> <li>• Monitoring behaviours</li> <li>• Gender balance</li> </ul>	Thematic analysis	Ordinal
Corporate Values	Independent variable	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Integrity</li> <li>• Innovation</li> <li>• Accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction level</li> <li>• Productivity rates</li> </ul>	Thematic analysis	Ordinal

Financial crime prevention	Dependent variable	<ul style="list-style-type: none"> <li>• Risks identified</li> <li>• Degree of clarity and integrity</li> <li>• Level of adherence to laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Improve rates in control effectiveness</li> <li>• Comparing of personal incentives to the risk of financial crime</li> </ul>	Thematic analysis	Ordinal
Corporate Governance	Moderating variable	<ul style="list-style-type: none"> <li>• Information balance</li> </ul>	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Supervisory mechanisms used</li> </ul>	Thematic analysis	Ordinal

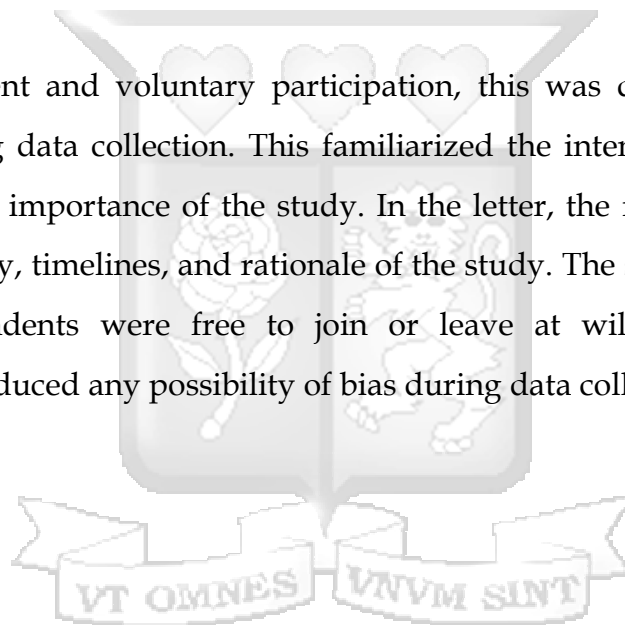
(Author, 2023)

### 3.10 Ethical considerations

Ethical considerations guided the selection of all study procedures to guarantee participant care and protection. Respondents were made aware that participation in the study was completely voluntary prior to the commencement of the research. Informed consent was obtained from the participants, and all data collected are kept confidential and anonymous. Before the study, the researcher sought approval and introduction letters from Strathmore University's department of research. Furthermore, the researcher also made formal application to Strathmore's Ethical Review Board for approval. The approval letter from the University's Department of Development Studies was used to apply for a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI)'s website prior to the actual data collected from the selected TMOs in Nairobi City County.

The key ethical considerations for this study comprised of anonymity, confidentiality, voluntary participation, and informed consent. In terms of anonymity, the identity of the respondents was not asked. Questions such as names, contacts and addresses were not asked. Nonetheless, the general respondents' demographics such as age, gender and levels of education were also asked. On respondents' confidentiality, the respondents were assured of confidentiality of their responses. Furthermore, the research findings were used strictly for academic purposes and no commercial use. The coded data were stored in a laptop with password protection and be used only by the researcher to ensure the data is kept as private as possible.

On informed consent and voluntary participation, this was done physically and immediately during data collection. This familiarized the intended respondents of the essence and the importance of the study. In the letter, the researcher explained the aims of the study, timelines, and rationale of the study. The study was voluntary in that the respondents were free to join or leave at will with no coercion whatsoever. This reduced any possibility of bias during data collection.



## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

#### 4.1 Introduction

This chapter offers a meticulous analysis of data collected from employees of three TMOs based in Nairobi, Kenya. It aligns with the objectives set in Chapter one, determining the influence of organizational values and culture on financial crime prevention among technological multinational companies. The data, primarily qualitative, is sourced from interviews with a purposive sample that was made up of employees from the three TMOs (Google, Microsoft, and Oracle) operating in Kenya. This primary data was enriched by secondary sources, such as published records, to provide a nuanced understanding of the issues at hand. A thematic approach was employed to identify key patterns within the data, adhering to academic standards. Triangulation method was used to enhance the reliability and validity of the findings.

#### 4.2 Response Rate

According to Hazra (2017), response rate is the proportion of survey respondents to the total number of study participants who were anticipated to participate in the research. The percentage of respondents reporting is crucial because it helps readers and academics alike determine whether and how much bias related to non-response affected the study. Non-response bias, according to Creswell (2014), is an inaccuracy that results from a large difference between survey respondents and non-respondents. Studies with inadequate response rates typically have a significant issue with non-response bias. For the interviews, fifteen individuals from the 18-target population took part, which corresponds to an 83% response rate.

#### 4.3 Demographic Characteristics of the Participants

The research consisted of conducting interviews with 15 participants, 5 from each of the three companies. Out of the 15 employees, 4 encounters were carried out by telephone communication, while 6 interactions took place in person and 5 through questionnaires. Every conversation was meticulously recorded and then processed

to guarantee accuracy in the analysis of information. Table 4.1 provides a succinct overview of the socio-demographic attributes of the participants, encompassing age, gender, and occupation type. This serves to establish a contextual foundation for the subsequent findings and analysis.

**Table 4.1: Demographic Characteristics of the Participants**

Participant Code	Age	Gender	Department
P1	35	Female	Human Resource
P2	37	Male	IT
P3	40	Male	Administrator
P4	25	Male	Finance
P5	32	Male	Finance
P6	30	Female	IT
P7	28	Male	Cyber security
P8	32	Female	Cyber security
P9	38	Male	Administrator
P10	32	Male	Technical
P11	29	Female	Compliance officer
P12	40	Female	Legal Officer
P13	20	Female	Finance
P14	29	Male	Internal auditor
P15	35	Male	Administrator

(Author: 2024)

Survey participants' demographic characteristics were evaluated with respect to their age, sexual orientation, organisational role, and utmost level of education. Results are summarized in Table 4.2.

**Table 4.2: Respondents' Demographic Characteristics**

Socio-Demographic Trait	Percent (%)	Number (N)
<b>Gender</b>		
Female	40	6

Male	60	9
<b>Age bracket</b>		
18-20 years	6.7	1
21-30 years	20.0	3
31-40 years	46.7	7
Above 40 years	26.7	4
<b>Education Level</b>		
Others	13.3	2
Undergraduate degree	40	6
Postgraduate degree	6.7	1
Diploma/Certificate	40	6
<b>Position</b>		
Operations	46.7	7
Middle-level Management	33.3	5
Senior Level Management	20	3
Total	100	15

Source: Author (2024)

According to Table 4.2's outcome, 40% of those surveyed were female and 60% of participants were male. This finding corresponds with Kimawachi's (2016) observation that males hold the majority of roles in technology organisations. However, recent data indicates that staff members of both genders were included in the sample. When it came to age, the majority of responders (46.7%) fell into the 31–40-year-old range. This data is consistent with an assessment by the UK Department for International Development (2017), which revealed that people of middle age dominate the Kenyan formal sector whereas most adolescents work in the informal sector. The number of senior citizens working in the formal sector is decreasing because of retirement and death. Nevertheless, recent results show that the sample included individuals from a variety of age categories: 26.7% of participants were over 40, 20% were in the 21–30 age range, and 67% were older than 18 years.

The respondents were split nearly evenly among the job positions in terms of job position. A little over 46.7% worked in operations management, 33.3% in middle management, and 20% in senior management. These results demonstrate that the study minimised bias by capturing the opinions of various employee types. Furthermore, the results suggest that workers with varying degrees of job experience were included in the sample. Additionally, they offer proof that the majority of respondents were well-versed in the TMOs' financial crime prevention regulation, company culture, and values. When it came to education, the majority of those polled (40%) held an undergraduate degree, while a comparable percentage (40%) held a diploma or certificate. Postgraduates made up (6.7%) of the total, while (13.3%) constituted the remainder group. Based on these results, it may be inferred that most respondents had advanced degrees. This result might be attributed to the fact that technical occupations are among the most in-demand in Kenya, drawing highly educated individuals as stated by Munjuri et al. (2015).

#### **4.9 Thematic Analysis**

The quantitative results on the role that organisational culture and values play in financial crime prevention among technology multinational corporations, were enhanced by the qualitative findings from the KIIs. The thematic analysis of the study under independent variable organizational culture and values produced three themes as relates to the Schein (2011) model's adopted ideals, underlying presumptions, and conventional practices. In the sections that follow, the results for every one of the aforementioned elements are shown and discussed.

The data acquired from the transcripts was analysed using a thematic method. The data processing method was facilitated by the utilization of NVivo computer software. Furthermore, supplementary analysis was conducted by manually exploring the material within the transcripts. The results obtained from the extensive examination of interviews provided valuable insights that complimented the quantitative data on determination of the influence of organizational culture and values on financial crime prevention. The analysis was conducted with the aim of

answering the research questions (RQs), and the themes that emerged were categorized to align with the questions:

- i. What is the effect of corporate culture on financial crime prevention in technology multinational companies in Nairobi County?
- ii. What effect does corporate value have on financial crime prevention amongst the technology multinational companies in Nairobi County?
- iii. To what extent does corporate governance moderate the relationship between corporate culture, values, and financial crime prevention?

#### **4.9.1 Objective 1: To determine the effect of corporate culture on financial crime prevention in technology multinational companies.**

The first objective focused on determining the various components of corporate culture and how they influence financial crime prevention. The definitions of corporate culture given by the participants varied. Thus;

*"Organizational culture is a framework of all unique characteristics of employees that are distinct from other organizations." (P3)*

*"Organisational culture is a combination of efforts to process information, conduct or experience from certain principles within the organisation." (P1)*

*"Company values are a set of guiding ideas and essential beliefs that enable teams to collaborate toward a common business goal. These principles are frequently linked to business partnerships, client relationships, and corporate success." (P4)*

#### **Transparency in communication**

The findings as represented in table 4.3 identified that the level of communication within the sampled organizations were not transparent with more than half consenting on the same (53.2%). Only (33.4%) of the participants agreed that communication was transparent.

**Table 4.3: The Level of transparency in communication**

	Frequency	Percent
Not transparent at all	2	13.3
Not very transparent	6	40.0
Neutral	2	13.3
Somewhat transparent	4	26.7
Very transparent	1	6.7
Total	15	100.0

Source: Author (2024)

Further, in answering RQ1, various themes emerged from the interview. The essential components of a corporate culture and value system in technology multinationals are highlighted by these qualitative themes. Businesses may foster an environment that encourages creativity, teamwork, flexibility, and ongoing growth by embracing these components. The main themes comprised of adopted values, underlying assumptions, and rules and procedures.

### **Theme 1: TMOs Adopted Values**

The interviewees agreed that the advocated values refer to the numerous standards established in an organisation by senior management to align worker actions, as demonstrated in Mesko's (2010) study. The corporation's and its members' business practices are guided by these ideals. According to the study, some embraced principles may strengthen financial crime prevention while others may have the opposite effect. The respondents highlighted eight sub-themes related to values that are likely to enhance financial crime prevention, as indicated in Table 4.4.

**Table 4.4: The Adopted Values of TMOs**

Participant	Statement	Sub-theme
P1,P3	The organization prioritizes long-term success rather than short-term	-Long-term vision -Stakeholder engagement
P11	Employees work collaboratively so as to achieve organization objectives	-Ability to adapt -Collaboration
P8,P10	Ethics are taken into account while making decisions by the TMOs' management team.	- Ingrained moral judgment -Transparency, accountability
P12, P4, P6	Employees are allowed to freely express their opinions and thoughts	-Freedom of expression - Open communication - Diversity and inclusion
P15	Employees are guided by the company's core values in executing their duties	-Aligning employee behaviour and actions with the organization's core values
P10	Employees are creative and innovative in duty performance	- Continuous Learning and development

Source: Author

### **Long-Term Vision**

The participants indicated that their respective companies operate with a well-defined long-term goal and mission. They successfully convey their vision to the workforce, inspiring them to play a role to the company's performance and drawing everyone towards shared objectives. The participants were more concerned with the company's future while providing information on corporate culture and values influence on financial crime prevention. A company plans and considers things to this degree. A company with a prospective culture, according to the respondent (P3),

is more likely to put long-term success ahead of immediate profit. These types of organisations are more likely to adopt risk-based strategies, value collaboration and information sharing, and exhibit a steadfast commitment to moral behaviour, among other behaviours that foster long-term success. The fact that the respondent stated that TMOs generally place a higher priority on long-term success than on short-term earnings is evidence that the TMOs firmly uphold the future orientation principle.

*"Trust and moral conduct serve as the bedrock for a comprehensive financial crime prevention structure, which guarantees that individuals and organisations act with integrity and openness to hinder fraudulent activities." (P5)*

*"By prioritising adherence to regulatory requirements, organisations may develop robust oversight measures, execute thorough checks and balances procedures, and promptly disclose any questionable activities, thus enhancing financial crime prevention." (P7)*

*"Openness along with accountability are fundamental principles that enhance financial crime prevention by encouraging an environment of honesty, where employees take responsibility for the consequences of their actions and organisations uphold rigorous standards for corporate governance and risk administration." (P10).*

### **Accountability**

The aspect on upholding strong ethical standards and social responsibility is a hallmark of successful technology multinational companies. Integrity, openness, and trust are valued highly by them on the inside as well as the externally. This entails upholding moral corporate conduct, safeguarding user information, and making constructive contributions to society. Furthermore, it was discovered that the TMOs' management staff takes ethics into account when making decisions. In this instance, the opinions do align with the finding of Kumar (2016) that an organisation with a strong ethical culture is less likely to participate in activities that encourage financial crime. This result implies that the TMOs place a high emphasis on making moral

decisions, which was thought to have a beneficial effect on the prevention of financial crime.

*"The principles that are ingrained in an organization's culture determine how it approaches the prevention of financial crime. Employees are more likely to act morally, report suspicious activity, and adhere to established protocols to identify and stop financial crimes if the organization promotes honesty, compliance, and responsibility." (P13).*

### **Diversity and Inclusion**

The study also looked at whether the company encourages employees to express whatever they have to say. The interviewees consented that corporations that place a high value on inclusiveness and diversity foster a culture that welcomes people from all backgrounds, experiences, and different opinions. This fosters creativity, improves problem-solving skills, and aids in luring and keeping top personnel. The participants demonstrated how granting workers a voice promotes greater initiative, preparedness, and innovation, all of which can help avoid financial crime. Such observations resonate with the findings by Tsai (2011), which showed the importance of adopting a compliance culture that is built on foundational organizational values. There was consensus from all the participants that in these TMOs, the employees are allowed to freely express their opinion and thoughts. This result suggests that TMO staff members have a powerful voice, which could help minimise financial fraud.

*"It is imperative that the organizational culture fosters a sense of accountability and ownership among employees about the prevention of financial crime. The company can build a proactive defence against financial crimes by encouraging a culture in which staff members feel empowered to spot and report questionable activity." (P3)*

The notions of employee participation in decision-making processes, which are closely related, may impact financial crime prevention. Nonetheless, there were significant differences in respondents' opinions about the matter of workers' engagement.

*"Financial crime prevention is impacted when an organization's culture is firmly rooted in the principles of integrity and ethical behaviour. Workers are more inclined*

*to act honourably, investigate matters thoroughly, and confront unethical behaviour, which lowers the possibility that financial crimes will take place within the company."*  
(P7)

### **Innovativeness**

It was also found that the topic of recognising workers' qualifications and strengths is directly related to the topics of staff participation and opinion. By addressing skill shortages, this issue can help organisation better address financial crime prevention initiatives as reflected in the study by Krambia-Kapardis, (2016) on relation between positive organizational culture and values. Regarding this matter, respondents had a fair amount of agreement. The aspect on creativity is tied to worker participation as well. Similarly, Kumar (2016) demonstrated that an organisation is more inclined to be more successful in preventing financial crime if it values the inventiveness and originality of its staff members. Based on the current study's findings, it appears that TMO cultures significantly promote employee innovative thinking.

### **Cooperation**

Enhancing the TMOs' ability to deter, identify, and prevent financial crime also involves fostering a collaborative environment among staff members across departments and organisational levels. The results demonstrated that workers cooperate to accomplish the TMO's goals. This result implies that there was a high degree of teamwork among TMO staff members. In this instance, TMO's fundamental principles serve as a guide for the personnel as they carry out their responsibilities.

*"Working together is crucial in global technology companies. They encourage a culture in which groups collaborate, exchange information, and benefit from a variety of viewpoints. Working together improves problem-solving skills, spurs invention, and develops a sense of group accountability and ownership."* (P15).

The result suggests that the principles mentioned in the TMO's value statement do have a significant impact on how TMO workers behave.

*"A key factor in preventing financial crime is workplace culture and values. Employee adherence to rules and proactive efforts to avert financial crimes are more*

*probable when a company fosters a culture that values integrity, openness, and ethical conduct." (P10 Telephone interview, 3rd Feb 2024).*

Further, the respondents also indicated some of the factors that in most cases weaken financial crime prevention as pertains to organization culture and values. These qualitative statements were verbatim quotes that illustrate how adopted corporate values and culture affect financial crime prevention in terms of both strengthening and by weakening of initiatives.

*"When organisations prioritise profit maximisation over everything else, they might get compelled to apply shortcuts and disregard regulatory measures, which undermines financial crime prevention initiatives and generates prospects for fraud and nefarious activities." (P11)*

*"Insufficient communication and cooperation among all parties involved, such as organisations, regulators, along with law enforcement agencies, undermine financial crime prevention by impeding successful detection and mitigation of new threats and fraudulent activities." (P4).*

## **Theme 2: Underlying Assumptions at the TMOs**

Underlying presumptions comprised the second organisational culture variable. These are deeply ingrained goals among members of an organisation, as noted by Acar and Acar (2014) in their study. The people who participated demonstrated how these presumptions shape members' perspectives, ways of thinking, and behaviours, making them essential elements of the organisational culture. Further, the participants observed that effective methods and procedures to increase financial crime prevention inside of these organisations can be shaped by having a thorough understanding of the underlying assumptions and sub-themes that comprise corporate culture. The study identified a set of sub-themes as part of corporate culture representing underlying assumptions in technology multinationals that support financial crime prevention.

## **Observance of rules and awareness of risks**

The participants laid a significant emphasis on compliance and risk awareness, indicating that it might serve as a sub-theme within corporate culture. This presumption is based on the idea that all workers have an obligation to comprehend and abide by all applicable internal policies, rules, and laws pertaining to the prevention of financial crime. To handle possible dangers in advance, it also requires cultivating a culture of alertness and risk detection.

*"At our company, risk awareness as well as compliance are fundamental components of our corporate culture. Each employee is aware that stopping financial crime is both a moral and legal duty. It begins with the fundamental presumption that we should always conduct ourselves in accordance with the greatest moral principles." (P7).*

*"As a multinational in the technology sector, we have particular difficulties in preventing financial crime. Our company culture acknowledges that the digital environment in which we operate is always changing and that hackers are always coming up with new ways to take advantage of weaknesses. As a result, risk awareness is ingrained in our culture, and all staff members are urged to keep abreast of new hazards and take proactive measures to reduce them." (P11).*

*"As a global company in the technology sector, we work in several countries with different regulatory frameworks. Our company culture understands that in order to successfully traverse this complexity, a robust compliance framework is necessary. We have ensured that compliance and risk awareness occupy the centre of our business practices by putting in place strong internal controls, regularly scheduled training programmes, and a transparent interactions culture." (P9).*

*"Our organisation places a significant emphasis on preventing financial crime, and risk assessment and compliance awareness are essential elements of our company culture. Our staff members are urged to exercise caution, recognise possible threats, and report any questionable activity. We create an atmosphere whereby everyone is aware that, as a technology multinational, accountability is essential and shouldn't be optional." (P1).*

## **Whistleblowing**

The participants also identified that the corporate culture may have a sub-theme pertaining to information disclosure and whistleblowing. This presumption implies that employees who disclose suspected financial crimes or unethical behaviour are protected and encouraged to do so. Some of the interviewees indicated that the aspect expresses a conviction that financial crime detection and prevention depend on an open and transparent reporting culture. Thus;

*"We strongly value accountability and transparency in our business culture. We view reporting and whistleblowing as critical elements of our financial crime prevention approach. We've put in place a mechanism that lets staff members file anonymous reports of issues, and we make sure that each report is investigated in detail. The fundamental premise is that if we promote reporting, we can quickly identify and combat financial crimes." (P3).*

According to another participant, the company promotes pro-activity, which is the inclination to foresee issues and put policies in place that will stop them from happening or lessen their effects when they do. This is in line with research by Burdon and Sorour (2018), which suggests that a proactive culture inside an organisation increases the likelihood of financial crime prevention success. Thus the response;

*"As a global technology company, we see the value of accurate and timely reporting in the fight against financial crime. We stress that workers must report any suspicious activity, even if they are unsure of the specifics of the behaviour. Our fundamental premise is that, in order to effectively combat financial crimes, reporting is an essential weapon in our toolbox." (P2).*

## **Employee satisfaction**

Employee contentment was also identified as one of the key underlying assumptions that could influence financial crime prevention across the multinationals. This reflects the findings of Schein (2011), which asserts that a company's ability to stop financial crimes is higher when its workers are happy. This is due to the fact that contented workers are more inclined to go above and beyond and make extra efforts in support of organisational objectives. This sub-theme assumes that contented

workers are more likely to act in ways that support the organization's principles and objectives as reflected in the study by Smith et al. (2021), which encompasses preventing financial crimes as well. Happy workers are driven to carry out their jobs with diligence, behave honourably, and assume responsibility for them. Thus;

*"At our company, we think that a key component of our efforts to combat financial crime is the happiness of our staff. We are aware that contented workers are more inclined to actively engage in risk reduction and follow compliance guidelines. The fundamental premise is that we may develop a culture where workers are inspired to uphold the highest ethical standards by cultivating a good and encouraging work environment." (P4).*

Another Interviewee said;

*"We make educational and professional development investments, offer well-defined career pathways, and cultivate a culture of appreciation and acknowledgment. The fundamental premise is that motivated and contented workers are more inclined to take charge of financial crime prevention programmes and support an environment that values compliance." (P1).*

The result suggests that workers who are highly satisfied with their jobs could have a beneficial impact on preventing financial crime. During performance reviews, the organisation also considers the methods by which workers arrive at organisational objectives. In this case, as evidenced by Gibson & Lewis, (2014), an organisation that intends to encourage responsible corporate behaviour must pay focus on its strategies and end-goals.

*"We think that having a healthy workplace culture with possibilities for advancement, work-life balance, and fair pay has a direct influence on our capacity to stop financial crimes. The fundamental premise is that contented workers are more likely to enthusiastically endorse our efforts to avoid financial crime and remain devoted to the company's ideals." (P14).*

The result suggests that TMOs typically keep an eye on the strategies and procedures that staff members adopt to work towards company goals. Financial crime prevention may benefit from this culture. The interviewees also mentioned that adherence to fundamental values by employees is significantly impacted by their level of satisfaction, which is an underlying assumption.

Additionally, the respondents said that regarding upholding the company's basic values, senior managers at the TMOs set an example. In this case, a high degree of devotion to the TMOs' basic values is present among its staff, which probably have a favourable effect on the prevention of financial crime. Additionally, an employee's desire to follow corporate norms and regulations is probably influenced by how fair they believe the organisation's leadership operates, as reflected by Kim et al. (2017). Thus, this factor will undoubtedly affect the prevention of financial crime.

This result suggests that TMO staff members have faith in their organisations' disciplinary policies. The respondents also stated that diversity and inclusivity help an organisation by encouraging innovation and creativity and lending the organisation credibility. This is consistent with research by Kim et al. (2017), which found that TMO staff members think diversity and inclusivity are appreciated in their workplace.

### **Theme 3: Clear Standards and Regulations at TMOs**

This theme focuses on how important it is for organisations to set up and follow clear rules, policies, and procedures to effectively avoid financial crimes.

The aspect of rules and procedures was identified by the respondents as one of the crucial components of an organizational culture at the TMOs in Kenya. The theme of "Clear Policies and Procedures" assumes that the development of thorough and unambiguous policies and procedures pertaining to the prevention of financial crime is supported by a robust corporate culture. These rules entail recommendations that help employees understand their roles in preventing financial crimes, such as reporting procedures, behaviours that are forbidden, and due diligence requirements. Thus;

*"We think it is critical to have precise policies and procedures in place to make sure staff members are aware of their obligations and roles in stopping financial crimes.*

*The basic presumption is that we can reduce ambiguity and foster a compliance culture by establishing clear regulations and procedures." (P10).*

The degree to which employees comply to TMO regulations and procedures is determined by how well those rules and procedures are communicated to them, and this unavoidably will have an effect on preventing financial crime. Ponnu & Hassan (2016) reported similar observations about how efficient communication affects organisational culture.

The results show that Kenyan TMOs are successful in informing staff members about policies and procedures.

*"We recognise that technology multinationals operate in complex regulatory settings, and compliance can be problematic. Our company culture is predicated on the idea that we can guarantee constant adherence to legislation and reduce the danger of financial crimes by developing and communicating concise rules and protocols." (P11).*

*"At our organisation, we take great effort in creating and disseminating precise policies and procedures to combat financial crime. We understand that for workers to properly manage possible risks, they require a strong framework. The fundamental premise is that by outlining precise policies, we can enable staff members to decide wisely and take the necessary precautions to stop financial crimes." (P8).*

Additionally, employee training fosters consistency, enhances adherence to rules and regulations, and minimises errors – all of which help to close the gaps that allow financial crimes to flourish, as noted by Murithi (2013) in his research. The results indicate that staff members at Kenya's TMOs have gotten sufficient instruction on policies and procedures.

*"In our organisation, transparent policies and procedures are an essential component of our company culture, not merely a set of bureaucratic guidelines. We recognise that preventing financial crime necessitates a methodical approach, and that accomplishing that involves clearly defined policies and procedures. The fundamental*

*premise is that we can guarantee consistency, credibility, and openness in our efforts to stop financial crimes by setting explicit criteria." (P10).*

#### **4.9.2 Objective 2: To determine the effect of corporate values on financial crime prevention amongst the technology multinational companies.**

The following qualitative themes resulted from an analysis of how financial crime prevention in technology multinational corporations is affected by company values. These themes provide a qualitative framework for comprehending how prevailing corporate values affect the prevention of financial crime in technology multinational corporations. They support the creation of successful prevention strategies by assisting in the identification of the crucial elements of a business's values that influence its approach to preventing financial crimes.

##### **Ethical Standards**

The Company's dedication to maintaining the highest moral standards and honesty in financial dealings is the focus of the subject in question. In this case, the participants indicated that the company's values and culture encourage moral conduct, integrity, and openness in the fight against financial crimes.

*"We contend that upholding the greatest ethical standards is demanded of every employee, and that carrying out business with honesty is something that cannot be compromised. The fundamental premise is that we can effectively prevent financial crimes by cultivating an ethical culture." (P5).*

*"Our efforts to combat financial crime are motivated by ethical values. Any kind of wrongdoing is not tolerated at all, and we are dedicated to fostering an ethical and honest culture across the entire company. The fundamental premise is that we may reduce the likelihood of financial crimes by establishing and upholding ethical standards in society." (P1).*

*"We think that acting morally in business is not just the right thing to do, but also a competitive advantage. The fundamental premise is that by upholding moral principles, we reduce the possibility of financial crimes, safeguard our brand, and establish enduring bonds with our stakeholders and clients." (P6).*

### **Accountability**

The organization's emphasis on individual as well as team accountability in stopping financial crimes was another issue of focus. The participants stated that teamwork is key in ensuring that the company's culture and principles inspire employees to take accountability for their activities and to disclose and deal with possible financial crimes. The interviewees underlined how important they think it is to prevent and successfully resolve financial crimes by holding people accountable, encouraging a feeling of community responsibility, and providing the required resources and support. Thus;

*"We think that everyone has a responsibility to behave morally, and we urge staff members to report any questionable behaviour without worrying about facing consequences. The essential premise is that we can reduce the likelihood of financial crimes occurring and ensure that they are dealt with quickly in the event that they do by cultivating an environment of accountability." (P11).*

*We make sure that staff members are aware of their obligations and duties and that we have clear policies and procedures in place. The fundamental premise is that financial crimes may be successfully prevented and addressed by making people accountable for their deeds and encouraging a culture of disclosure and transparency." (P12).*

### **Working together and communication**

Within the framework of financial crime prevention, this theme examines how the organization's values and culture foster cooperation and transparent communication between staff members, departments, and partners. It looks at how the business promotes knowledge exchange, best practices, and lessons gained to bolster preventative initiatives. The participants emphasised the idea that recognising and

managing possible dangers, keeping ahead of changing threats, and bolstering overall financial crime prevention efforts require cooperation, information sharing, and efficient communication channels. Thus;

*"To improve our preventive tactics, we urge staff members to discuss efficient procedures, knowledge acquired, and novel developments. This enables us to safeguard the company and its stakeholders while keeping up with the rapidly changing threats of financial crime by encouraging cooperation and good communication." (P7).*

*"We promote cooperation and information exchange between departments and teams to recognise and efficiently manage possible risks. The fundamental premise is that we can use our combined knowledge and experience to stop financial crimes if we promote a culture of cooperation and communication." (P2).*

*"We advocate for an open communication among our staff members, and they are given the opportunity to express concerns, share knowledge, and work together to reduce potential risks. The core idea is that we can improve our efforts to prevent financial crime by cooperating and creating effective correspondence channels." (P3).*

### **Constant Improvement and Learning**

This subject centres on the company's principles and culture of ongoing development and enhancement in financial crime prevention. It looks at how the business promotes a culture of innovation in preventive techniques, offers training and development opportunities, and pushes staff members to be informed about emerging threats. The interviewees underlined how important they thought it was to cultivate a culture of ongoing learning, innovation, and knowledge upgrading to keep ahead of changing threats, enhance preventative tactics, and sustain the efficacy of financial crime prevention initiatives.

*"We think that maintaining effective preventive tactics requires being current on developing threats, industry best practices, and regulatory changes. The fundamental premise is that we can strengthen our financial crime prevention efforts and respond*

*to changing threats by cultivating a culture of ongoing learning and development."*  
(P4).

*"We actively encourage staff members to look for ways to expand their expertise, go to professional meetings, and take part in pertinent forums. Fostering a culture of ongoing education will enable us to develop a workforce that is competent and well-versed in financial crime prevention."* (P2).

The respondents identified that the predominant values can be promoted through investigating whether the company's ethics serve as a deterrent to financial misconduct and how they are conveyed to and upheld by staff members.

The respondents indicated that one of the primary mechanisms for reinforcement is the establishment of a strong code of conduct and ethical policy. This policy should explicitly state the TMO's beliefs, standards, and directives for moral conduct and the avoidance of financial crime. Among other things, it ought to address topics like insider trading, bribery and corruption, fraud, and conflicts of interest. All staff members should have easy access to the code of conduct, which should be frequently reinforced through seminars, training sessions, and awareness initiatives. Through ensuring that staff members are aware of the standards and repercussions associated with unethical behaviour, the TMO can effectively prevent financial crime.

The respondents also identified creation of awareness as well as understanding as a crucial component that could reinforce predominant culture towards financial crime prevention. In this case, the aspect of evaluating staff members' awareness of various financial crime categories, their comprehension of possible hazards, and their acquaintance with pertinent policies and procedures were considered very key. Thus;

*"By increasing knowledge about the dangers of financial crime and its repercussions, staff members are better able to spot and stop possible fraud. This can be accomplished*

*in several ways, including training courses, seminars, and public awareness campaigns that describe the many kinds of financial crimes, warning signs to look out for, and the possible consequences for the organisation and those involved.” (P11).*

*“Employees can benefit from education and training programmes by learning the value of moral behaviour and how it connects to the deterrence of financial crime. The company's code of conduct, pertinent rules and regulations, moral decision-making structures, and the duties of every worker in upholding an integrity-centred culture are just a few of the subjects that these programmes can cover.” (P10).*

The existence of appropriate general atmosphere and leadership of the organisation are important factors in promoting ethics and values. Senior leadership at the TMO must provide an example of moral behaviour and remind the entire workforce of the value of morals and ethics on a regular basis. Regular channels of communication, such as meetings, emails, or internal memos, can help achieve this. Through highlighting the importance of moral behaviour in every facet of the company, executives may lead by example and encourage staff members to do the same.

Also, the participants indicated that the promotion of organisational values can be strongly reinforced by praising and rewarding ethical behaviour. One of the respondents indicated thus;

*“The TMOs ought to set up a programme for employee recognition that honours those who consistently act morally and support efforts to avert financial crime.” (P2)*

In this case, incentives like performance bonuses, opportunities for public recognition, or professional progression can fall under this category. Employees are more likely to uphold the organization's ideals in a favourable work environment that the TMO may foster by highlighting and applauding ethical behaviour. Further, the participants indicated that educating and training employees is essential to fostering corporate ethics and values in the workforce. Regular training sessions on

subjects including making moral decisions, identifying, and reporting financial crime, and the repercussions of non-compliance should be offered by the TMO. The various tasks and levels of responsibility held by employees should be accommodated in these training programmes. The TMO can enable its staff to actively participate in financial crime prevention initiatives by improving the knowledge and abilities of its employees about ethical standards.

#### **4.9.3 Challenges that technology multinationals based in Kenya face in preventing financial crime.**

The results showed that several issues make it extremely difficult for TMOs to foster a compliance culture. Several of these typical difficulties are:

##### **Absence of cognizance and comprehension**

A considerable portion of the workforce reported having little knowledge or comprehension of the rules, regulations, and the repercussions of breaking company policies and procedures. This ignorance may make it more difficult to encourage a compliance culture.

##### **Unreliable Messaging**

According to the respondents, there could be a barrier if there is a discrepancy between the organization's compliance expectations and the management's communication about them. Under such circumstances, staff members could grow doubtful or perplexed.

*"A strong compliance culture cannot be developed if there is contradictory message."  
(P10)*

##### **Inadequate instruction and training**

Inadequate training and educational initiatives were also mentioned by the interviewees as barriers to employees' comprehension of compliance rules. This in turn impairs their capacity to recognise and resolve compliance concerns.

One participant said, thus;

*"The aspect of cultivating a culture of compliance can be difficult in the absence of adequate training." (P8).*

### Complexity in regulatory framework

The TMOS may work in contexts with intricate and dynamic regulatory frameworks, which presents more difficulties in encouraging a compliance culture amongst the employees.

*“It can be difficult to stay on top of regulatory standards and make sure staff members are aware of and follow them.” (P7)*

#### 4.9.4 Objective 3: To assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention.

In order to evaluate the financial crime prevention efforts at Kenya's TMOs, participants were presented with a series of statements and asked to rate their agreement with each one using a five-point rating system, where 1 represented significant disagreement and 5 represented strong agreement. The findings are shown in Table 4.5. One of the main metrics utilised to evaluate the company's efforts to prevent financial crime was the calibre of its leadership. More than half of the respondents (60%) disagreed that the organization leadership was fully committed towards financial crime prevention. A total of (33.3%) consented that indeed the management were committed towards the same.

**Table 4.5: Leadership commitment to prevention of financial crime**

	Frequency	Percent
Strongly Disagree	2	13.3
Disagree	7	46.7
Neutral	1	6.7
Agree	5	33.3
Total	15	100.0

Source: Author (2024)

The participants were also asked to indicate their level of familiarity with company's policies and procedures (Table 4.6). More than half (53%) were familiar with, if not all, the organization's policies as well as procedures. While (43.6%) were not familiar with some of their organization's policies and procedures.

**Table 4.6: Familiar with organization's policies and procedures related to financial crime prevention**

		Frequency	Percent
Valid	Not familiar at all	2	13.3
	Not very familiar	5	33.3
	Neutral	3	20.0
	Somewhat familiar	5	33.3
	Total	15	100.0

Source: Author (2024)

#### 4.10 Discussion of results

The study's goal was to ascertain how organisational culture affects the avoidance of financial crime at Kenya's TMOs. It was essential to first determine the TMOs' organisational culture and how much it promotes financial crime prevention to achieve this goal.

**Objective 1: To determine the effect of corporate culture on financial crime prevention in technology multinational companies.**

Three themes—adopted values, fundamental beliefs, and standard guidelines and procedures—modified from Schein's (2011) model were used to evaluate corporate culture. This result is in line with other research by Omar et al. (2015), who discovered a strong correlation between organisational cultures and the incidence of

financial statement fraud. Moreover, the descriptive analysis revealed that TMOs have embraced principles that aid in the fight against financial crime. These values are composed of, but are not limited to, putting long-term success first, making moral decisions, including employees in decision-making, and encouraging creative behaviour. According to Schein's (2011) model, an organization's professed values are fundamental elements of its organisational culture since they have a significant impact on how other employees behave.

The study results are in line with earlier studies that demonstrate the positive influence organisational culture has on deterring financial crime. For instance, the study by Witari and Putra (2023) observed that when criminal activity occurs in the workplace and is tolerated by employees, it can eventually become embedded in the company's culture. Also, the study by Mulligan (2015) indicated that people need to receive training with the goal of strengthening and ingraining existing norms, values, and beliefs to address this. In the end, this reinforces the current business culture and ensures conformity to all regulations, which eradicates and deters financial crime. The cause-and-effect theory, which maintains that two factors affect a person's behaviour, is supported by this study.

The current research adds credence to the idea that a key element of the TMO's employee evaluation programme is financial crime prevention. Assessing adherence boosts responsibility, which enhances the potential to stop crimes. The management team at TMOs is leading the way in promoting financial crime prevention, according to the results. The initiative to prevent financial crime is also boosted by managerial support similar to observations by Mesko (2010), which provides sufficient funds and fosters a sense of urgency. The results also showed that TMO staff members follow financial crime prevention policies and procedures because they know it is the proper thing to do and because they know what happens if they do not. The results imply that the TMOs have had some success in stopping financial crime.

Odhiambo et al. (2023) found in their study that reward systems are an essential part of organisational culture since they can be a powerful instrument for shaping

workers' conduct. This is related to the results of the current study, which showed that incentives might serve as a means of strengthening among employees' adherence to organisational rules and regulations. Further, the study by Tsai (2011) showed that adopting a compliance culture that is built on values and uses principles to mould employees' behaviour has a longer-lasting effect on how they behave. Similarly, the respondents in the current study also showed that by encouraging staff members to internalise values, the value-based culture, there is possibility of fostering sustainability by empowering individuals to operate in accordance with the organization's expectations even in the face of changing circumstances. Conversely, Skandalis (2017) noted that an organization's capacity to avoid financial crime depends less on following strict policies and processes and more on its level of integrity and adoption of a corporate culture.

**Objective 2: To determine the effect of corporate values on financial crime prevention amongst the technology multinational companies.**

The respondents showed the importance of organization's values as a reflection of the opinions of its personnel just as echoed by Kumar (2016) in his study. Therefore, when workers feel it is critical to focus on the organization's long-term development and make moral decisions, they are less inclined to support or engage in activities that equate to financial crime. The findings also demonstrated that the underlying assumptions of TMOs support the prevention of financial crime. The deep expectations and beliefs that employees have are referred to as underlying assumptions in the Schein model. The study indicates that TMO staff members have expectations that are in line with the prevention of financial crime. These requirements incorporate the need to address organisational problems on own initiative, leading by example, promoting inclusivity and diversity, and using both process and outcome indicators of success. Similarly, Kumar (2016) also noted that employees' behaviours are significantly influenced by their views about how to accomplish organisational goals. Because they feel that the process of reaching outcomes is equally as essential as the actual results, employees are likely to be

discouraged from adopting habits that support financial crime due to the underlying premise that accomplishments should be judged from both the procedure and the result standpoint.

The respondents also revealed that it is also key to remember that happy workers can help avoid financial crime just as reflected by Odhiambo et al. (2023) in their study. However, this provides only one part of a whole strategy made up of strict regulations, guidelines, and training initiatives. On the other hand, an organisation that places a high priority on employee engagement and happiness is more likely to foster an atmosphere that encourages moral behaviour, teamwork, and a shared commitment to stopping financial crimes. The findings relate to observations by Jamil et al. (2021) in their study, which showed that there is frequently honest and efficient communication throughout the company when workers are happy. This covers unambiguous reporting avenues and procedures for concerns or suspicions pertaining to financial crimes. Happy workers are free to report these kinds of situations, which helps with early discovery and prevention. Employee satisfaction is positively correlated with adherence to internal policies, rules, and laws. They lessen the chance of non-compliance and related criminal activity since they are more likely to comprehend and abide by the organization's financial crime prevention procedures. Employees are also encouraged by this culture to report questionable activity, make moral decisions, and take the initiative to stop financial crimes. Happy workers are more inclined to operate in the organization's and its stakeholders' best interests.

Additionally, the findings proved that financial crime prevention is supported by TMO policies and practices. In particular, the study discovered that all staff members receive clear communication about the TMO's rules and processes, that employees receive thorough training on the significance of and how to apply bank policies and procedures, and that rewards and company values serve to promote adherence to rules and policies. These outcomes are consistent with Lau & Leung's

(2018) findings, which said that businesses with strong corporate cultures are more likely to be successful in discouraging financial crime within the company.

The Schein (2011) model highlighted how rules both define what workers want and mould their conduct. Therefore, the existence of policies and guidelines supporting financial crime prevention within the company is probably going to raise expectations among staff members about what is expected of them in terms of financial crime prevention. Results show that the TMOs have implemented policies and guidelines to help prevent financial crime, but they have also established incentive- and value-driven systems to make sure that compliance is followed.

**Objective 3: To assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention**

In a study by Mulligan (2015), the author highlighted that a program's ability to successfully prevent financial crimes depends on the support of management. On the same note, the respondents in the current study also showed that to increase their ability to identify and prevent financial crimes, organisations must invest in anticrime programmes. The TMOs programme comprised various features, such as tracking customer transactions, reporting suspicious activity, performing background checks on prospective hires, educating staff members about financial crime prevention, and tying financial crime prevention to employee incentives and performance reviews.

Burdon and Sorour's (2018) study also discovered that a wide range of organisational factors, which reflects the current study, identifying such factors as leadership style and organisational values and attitudes effect on financial oversight principles, influence compliance culture. Yamen et al.'s (2018) study also discovered a substantial correlation between financial crime, as determined by the AML index, and national culture, as determined by Hofstede's model in a sample of 78 nations.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

The purpose of this study was to evaluate the impact of corporate principles and social norms on reducing financial crime at Kenya's TMOs. Theoretically, organisational culture and values undoubtedly have a significant impact on the TMO's financial crime prevention strategies because they are essential in shaping the activities and practices of an organisation. This section presents the subsections on the study's summary of key findings, conclusion, recommendations, and ideas for more research. The chapter provides suggestions for improving financial crime prevention at TMOs based on the study's findings and conclusions. The chapter also addresses the study's limitations before offering some suggestions for future research directions.

The study used explanatory research design, conducted survey alongside semi-structured interviews to gather data from TMO staff in Kenya's head offices. A total of eighty-seven survey respondents were involved inclusive of fifteen interviews were done. The study's main conclusions are outlined in this section. The chapter then addresses the conclusions that might be drawn regarding the study's goals in light of the findings. In addition, the chapter provides suggestions on how TMOs might improve financial crime prevention considering the study's results and conclusions. The chapter also addresses the study's weaknesses before presenting some suggestions for future research directions.

#### 5.2 Study Summary

The study's main objective was to determine the influence of organizational values and culture in financial crime prevention among technological multinational companies in Nairobi County, Kenya. Three specific objectives were examined. First objective was to determine the influence of corporate culture on financial crime prevention in technology multinational companies.

The second objective was to determine effect of corporate values on financial crime prevention amongst the technology multinational companies. Third objective was to determine the moderating effect of corporate governance on the relationship between culture, value, and financial crime prevention.

Further, the findings revealed three predominant themes, aspects of the organisational culture and values that influence financial crime prevention, which comprised of adopted values, underlying presumptions, and standard operating procedure. According to the study, TMOs in Kenya have deeply ingrained principles that promote the fight against financial crime.

**Objective 1: To determine the effect of corporate culture on financial crime prevention amongst technology multinational companies in Nairobi County.**

The various components of corporate culture and values that influence financial crime prevention were identified as the level of transparency in communication, long-term vision, upholding strong ethical standards and social responsibility, giving employees a voice all have a positive impact on financial crime prevention. The issue of innovativeness and creativity, collaboration among employees were also raised as key to improving the TMOs' capacity to discourage, detect, and prevent financial crime. The other theme identified as part of corporate culture was the underlying assumptions that involve observance of rules and awareness of risks, reporting and whistleblowing, employee satisfaction alongside clarity in standards and regulations.

**Objective 2: To determine the effect of corporate values on financial crime prevention amongst the technology multinational companies in Nairobi County.**

The study identified the various dominant company values and culture at TMOs in Nairobi, Kenya to comprise of, ethical standards, accountability, collaboration and communication as well as constant improvement and Learning.

**Objective 3: To assess the moderating effect of corporate governance on the relationship between corporate culture, values and financial crime prevention.**

The study identified various means of promoting predominant cultures of the TMOs to assist in financial crime prevention. Some of these entail leadership structure that help in reinforcing the code of conduct and ethics, creation of awareness and understanding as well as training.

### **5.3 Conclusion**

The study findings showed that corporate culture and values have significant influence on the financial crime prevention in TMOs operating in Kenya. Therefore, developing an organisational culture based on principles that encourage moral decision-making, forward-thinking thinking, and staff engagement improves TMO's ability to stop financial crime.

The results show that businesses with strong business traditions and principles have loyal, trustworthy employees that consistently deliver excellent work. The culture of business is a prime example of how businesses may successfully create guidelines that must be adhered to in addition to the skills and knowledge required to fortify an organization's defences against financial crime prevention. This is because employees who accept and adhere to the company's aims and values work hard to achieve them. The findings demonstrate that, in contrast to businesses with weak corporate cultures, those with strong corporate culture and values have competent

and devoted staff members. This strengthens their capacity to regulate and mitigate the impact of external influences on financial crimes.

In this case, organisations should emphasise and explain their ethical standards and the value of preventing financial crime on a regular basis. This can involve including messages on ethics and compliance in team meetings, company-wide messaging, performance reviews, and recognition initiatives. All things considered, organisations may protect their reputation, financial stability, and stakeholder confidence by fostering awareness and understanding that supports ethical behaviour and actively strives to prevent financial crimes.

However, it takes a multifaceted strategy to promote organisational ethics and values to aid in the prevention of financial crime. The TMO may instil a culture of integrity and accountability throughout the company by supporting moral leadership, putting in place a thorough code of conduct, setting up reporting procedures, offering instruction, and training, and praising moral behaviour. In addition to reducing the risk of financial crime, such a culture will improve the business's general performance and reputation.

Similarly, TMOs can strengthen their ability to prevent financial crime by ingraining good norms like appreciating inclusivity and diversity, taking initiative, being satisfied with their work, and setting an example. Enhancing the prevention of financial crime can also involve making sure that policies and guidelines are properly conveyed and that staff members are trained in their application. Robust corporate cultures facilitate innovation and creativity, allow companies to leverage technology improvements, optimise resource utilisation, and foster the development of innovative processes and abilities that provide them a competitive advantage. Enhancing compliance through the rules and procedures' integration into the organization's performance appraisal system contributes to better financial crime prevention.

The results validate the Compliance Theory by showing how important the TMO culture is to stopping financial crimes. The study's findings support the theory that effective compliance is attained when there is congruence between an organization's leadership and its goal, showing that the TMO's values, presumptions, guidelines, and procedures are all in line with preventing financial crimes. The comprehension of financial crimes in multinational corporations is significantly influenced by the use of Rational Choice Theory. The hypothesis aided in this study's comprehension of how environmental influences affect criminal decisions. Consequently, it may be said that situational crime prevention techniques might be created to lessen the likelihood of particular crimes. The Theory of Convenience is important for comprehending financial crimes in multinational organisations. According to the hypothesis, financial crimes are performed because of personal willingness, organisational opportunities, and financial motivations. The results of the study, which emphasise the significance of values in preventing financial crimes, thereby corroborate the idea.

## **5.4 Study Recommendations**

### **5.4.1 Policy recommendations**

Businesses should concentrate on creating and enforcing procedures and standard guidelines that promote efforts to prevent financial crime to improve their abilities. Research has indicated that regulations and protocols have the biggest impact in stopping financial crime.

### **5.4.2 Recommendations to Industry Leadership**

The corporate governance framework of the organisation should clearly define duties, obligations, as well as communication lines. Corporate governance should guarantee that those in charge of preventing financial crime, like compliance officers and internal auditors, have the power and resources necessary to do their jobs by defining accountability in a clear and concise manner. This aids in integrating financial crime prevention strategies into the culture and structure of the company. Companies should specifically focus on making sure that staff are trained on how to

apply their policies and procedures and that these policies are effectively conveyed. Additionally, the regulations must be reinforced by being assimilated into the company's performance management system.

#### **5.4.3 Recommendations to Academia**

To close the knowledge gap between academics and business and promote a cooperative approach to tackling financial crime prevention concerns, TMOs ought to participate in collaborations and information-sharing activities.

#### **5.4.4 Recommendation for theory**

The examination of theories and their limits is probably necessary for a thorough comprehension of financial crimes. Furthermore, combining ideas like the Monopolistic Model and the Fraud Triangle Theory can offer a more comprehensive understanding of the intricate problem of financial crimes in multinational corporations.

#### **5.5 Suggestions for Further Research**

Further studies should undertake a comprehensive case analysis of technology-based multinational corporations that have been victims of financial crimes like embezzlement or fraud. Such research should concentrate on identifying cultural characteristics and beliefs that both function as protective factors and may raise the danger of financial crimes. Future research should also concentrate on examining the impact of local and national cultures on the values and organisational culture of modern multinational corporations with reference to the prevention of financial crimes. This ought to entail contrasting organisations that operate in various nations or areas to pinpoint cultural elements that might influence how they go about stopping financial crimes. It is important to consider the opportunities and difficulties that come with attempting to implement consistent preventative methods in a variety of cultural situations.

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## APPENDICES

### Appendix 1: Questionnaire

Please tick the appropriate box (es) for each question below. Write in the given spaces where necessary.

#### A. Demographic information

1. Gender

a) Male [ ]

b) Female [ ]

2. Age Bracket in years

a) 18-20 [ ]

b) 21-30 [ ]

c) 31- 40 [ ]

d) Above 40 [ ]

3. Your highest level of education

a) Post graduate [ ]

b) Undergraduate [ ]

c) Diploma/Certificate [ ]

d) Other [ ]

Please specify.....

4. Name the technology Multinational company in which you are currently engaged.....

5. Your position in the Company

a) Operations [ ]

b) Middle-level Management [ ]

c) Senior management [ ]

#### **PART A**

#### **Corporate Culture and Values**

Corporate culture and values refer to the shared beliefs, customs, practices, and social behaviours that characterize an organization. The culture is influenced by various factors including the vision, mission and history of the organization. Values represents the guiding principles that the organization lives with

1) Briefly describe in your own words what you understand by culture and values.  
.....  
.....

2) In your opinion, what are the key elements of a corporate culture and value system that promote success in technology multinationals based in Kenya?  
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.....

3) Can you provide an example of a specific instance when your organization's corporate culture and values had a positive impact on business performance?  
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.....

4) In your opinion, what challenges does your organization face in maintaining a strong corporate culture and value system?  
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5) How does your organization ensure that its corporate culture and values are effectively communicated and upheld throughout the company?  
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6) Are there any specific initiatives or policies that your organization has implemented to promote a strong corporate culture and value system?  
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7) How does your organization involve employees in promoting and maintaining a strong corporate culture and value system?

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8) How can organizations ensure that their culture and values are consistent across all departments and locations?

**PART B: Financial Crime Prevention**

Financial crime refers to illegal activities that involve the use of financial transactions or the manipulation of financial systems in order to gain illicit financial gain. Examples of financial crime include money laundering, fraud, bribery, embezzlement, and cybercrime. The acts of financial crime are prosecutable under the various statutes of law.

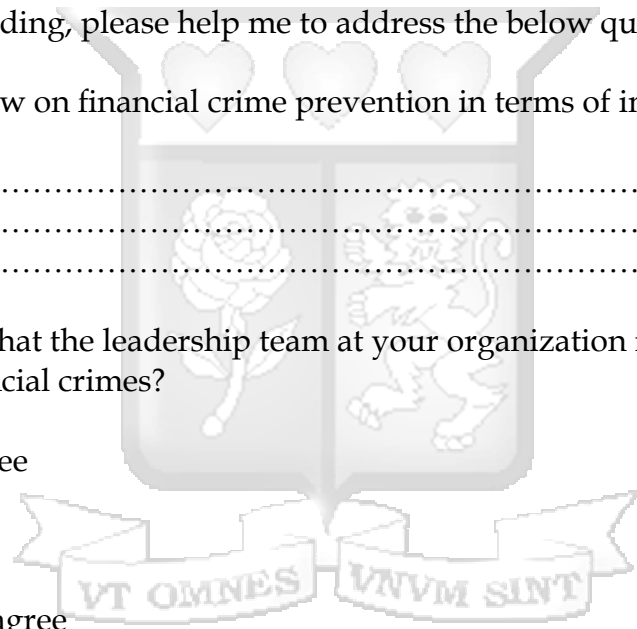
With this understanding, please help me to address the below questions to the best of your knowledge:

9) What is your view on financial crime prevention in terms of importance in your organization?

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.....  
.....

10) Do you believe that the leadership team at your organization is committed to preventing financial crimes?

- a) Strongly Agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly Disagree



11) How familiar are you with your organization's policies and procedures related to financial crime prevention?

- a) Very Familiar
- b) Somewhat Familiar
- c) Neutral
- d) Not Very Familiar
- e) Not Familiar at All

12) How would you rate the level of transparency in communication from leadership regarding financial crime prevention efforts?

- a) Very Transparent
- b) Somewhat Transparent
- c) Neutral

- d) Not Very Transparent
- e) Not Transparent at All

13) In your opinion, what are the most significant financial crimes that your organization is at risk of facing?

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Can you provide an example of a specific instance when your organization's financial crime prevention measures were successful in preventing a financial crime?

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In your opinion, what are the biggest challenges that technology multinationals based in Kenya face in preventing financial crime?

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Do you believe an organization's corporate culture and value have an influence on its financial crime prevention success? YES/NO  
Please explain based on your answer

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14) How does your organization ensure that its corporate culture and values are effectively communicated and upheld throughout the company, particularly with regards to financial crime prevention?

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15) Are there any specific initiatives, controls or policies that your organization has implemented to promote a corporate culture and value system that prevent financial crime?

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16) In your past experience, have you seen a company successfully reduce financial crime by creating a culture of integrity and ethical behaviour? If so, briefly would you describe what steps they took?

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.....

**PART C: GOVERNANCE AND LEADERSHIP**

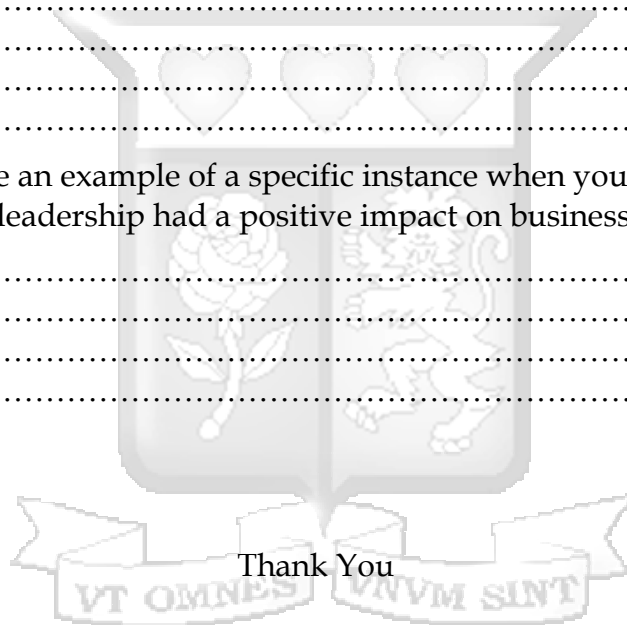
**Governance and leadership**

17) In your opinion, what are the key elements of a governance and leadership that promote success in technology multinationals based in Kenya?

.....  
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18) Can you provide an example of a specific instance when your organization's governance and leadership had a positive impact on business performance?

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## Appendix III: Ethics Clearance Form

RHInnO Ethics - SU-ISERC1892/23 - 1 of 1 - Date Issued: 2023-10-31

Strathmore University Institutional Scientific and Ethical Review Committee (SU-ISERC)

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## Final Decision

This is to certify that the application for ethics clearance submitted by:

**Principal Investigator:** Mr. Wmabura, James Chacha

**Reference number:** SU-ISERC1892/23

**For Study:** "The influence of organizational culture and values in financial crimes prevention among technological multinational organizations in Kenya"

Was reviewed and received the following status: "approved"

**Reviewer Comments**

**The SU-ISERC wishes you all the best with this research undertaking.**

**31 October 2023 11:35:08**

