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## Technology Acceptance Model and Corporate Governance: Reducing Fraud in E-Reimbursement Systems

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### ARTICLE INFO

### ABSTRACT



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**Purpose:** Drawing on the context of Australia, this research investigates the complex interplay of corporate governance, trust in e-reimbursement systems, and employee intention to truthfully disclose information.

**Method:** Using an online quantitative survey designed for Australian staff members who utilize e-reimbursement systems, the study investigates how perceived usefulness, perceived ease of use, perceived security, and corporate governance affect trust and disclosure intention through structural equation modeling.

**Findings:** To this end, the study reveals the role of several factors related to corporate governance influencing trust and unethical behavior in e-reimbursement. "The governance structures in place that ensure transparency, accountability, and ethical conduct go a long way in establishing trust in these systems. The results indicate that having a corporate governance framework can create an environment where employees are comfortable with their disclosures and instill them with honesty and integrity."

**Novelty:** This study advances the literature by integrating the concepts of technology adoption, corporate governance and ethics in the digital age. Through this novel theoretical insight, the study explores how governance mechanisms could moderate the relationship between trust in e-reimbursement systems and the intention to share (or not share) information, providing a new lens to understand how traditional views on organizational behavior can be expanded through the lens of theory.

**Implications:** The study's implications are significant for leading organizations in Australia and worldwide. It highlights the need for strong corporate governance frameworks that are in place alongside digital transformation efforts to ensure employees feel safe and incentivized to disclose any information in good faith. In addition, the results imply that future studies should investigate long-term studies that follow employee behaviour over time as governance and technologies evolve.

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### 1. Introduction

Over the past few years, companies have widely implemented e-reimbursement systems to get the most out of their defined expense management processes. Such systems are designed to help

improve operational efficiency and reduce the incidence of fraud, for example by preventing employees from falsely claiming expenses. The adoption of e-reimbursement systems in Australia is largely driven by the rapid development of digital technology and the growing importance of corporate



governance frameworks. Studies from Alawattage et al. (2019), Banna et al. (2022) show how microfinance organizations are using these technologies to build trust and accountability into financial transactions. However, employee fraud remains a threat. Expense fraud involves multiple types of behaviour and is therefore one of the biggest causes of financial misconduct in organisations Boddy et al. (2024), Wang et al. (2022), so it is important to incorporate strong systems and governance. Alkaraan et al. (2022), El Barachi et al. (2022), Hassan et al. (2022), reinforces that technological acceptance and corporate governance are critical elements in addressing these challenges, and the interplay between these elements significantly affects employees' intention to disclose the information.

E-reimbursement systems have not improved employee fraud and superfluous disclosures in many organizations. This is the challenge with rolling out the technology; staff has to comply with the new systems. Chen et al. (2023), Orsini et al. (2020) also found that e-reimbursement systems improve process efficiency; however, these systems do not ensure honest disclosure unless trust and corporate governance are implicated. Hooda et al. (2022), Warkentin et al. (2018), showed that perceived ease of use and security of these systems significantly influence employees' trust, and subsequently their intention to disclose honestly. The corporate world in Australia has been marred with fraudulent claims, a situation that reflects the urgent need for integrated governance strategies. Kassem (2022), Manita et al. (2020), propose that through better alignment of technological systems with good corporate governance, it is possible to establish the foundations of trust needed to mitigate fraudulent behaviours. But challenges remain, especially when it comes to making sure employees view these systems as secure and reliable, as well as easy to use.

The Technology Acceptance Model (TAM) is the basis of Humbers approach to employee interaction with e-reimbursement systems. Abdullah et al. (2016), Wu & Chen (2017), the Technology Acceptance Model (TAM) is based on two constructs: users' attitudes towards technology, which is a product of perceived usefulness and perceived ease of use, and users' behavioural intentions. Recent

extensions of TAM include variables such as trust and security, which are useful in the context of financial systems. The studies by Nguyen et al. (2019) and Clark et al. (2020) have validated the suitability of the model in predicting the adoption of technology in an organizational environment. Furthermore, corporate governance plays a moderating role in the relationship between trust and employees' behavioural intentions. Patel and Kumar (2022) found that strong governance frameworks increase the perceived reliability of e-reimbursement systems, which encourages employees' honest disclosure intentions (Villagrana et al., 2022). The combined perspective of TAM and corporate governance provides a holistic lens through which to view employee fraud issues.

Detecting dishonest disclosures in e-reimbursement systems is crucial due to the financial challenges and reputational risk associated with employee fraud. Although previous studies have investigated the contributing roles of technology and governance individually, few studies have delved into their combined influence on the intention of honest disclosure. Promising results from some studies, for example, Chang et al. (2020), Vila & Kuster (2011), Warkentin et al. (2018) and have subjected it to a direct angle by proving that perceived usefulness and security have a positive impact on trust in e-reimbursement systems. In contrast, Abdallah et al. (2016), Kose et al. (2015) show deficiencies in the usability of these systems that have led to adverse consequences such as higher rates of fraud. This study adds to the literature by bridging TAM and corporate governance to reconcile such different findings. This study not only prevails over system-oriented perspective in the previous studies but further provides a new angle of behavioural and governance which helps lead toward honest disclosure intention. It also offers guidance on how Australian organizations could improve their e-reimbursement systems by addressing issues relating to usability, trust and security, as suggested by recent works including (Albahri et al., 2023; Lee et al., 2012).

This study attempts to examine the factors that influence intentions of truthful disclosure in e-reimbursement systems in the context of corporate Australia. More specifically, it aims to analyze the

interaction effect of Technology Acceptance Model and corporate governance frameworks. Employees are often skeptical about adopting new AI tools, and work will assess the aspects of perceived usefulness, ease of use, and security in building trust in the systems. Moreover, it also examines how trust in e-reimbursement systems affects corporate governance leading to an honest expense reporting by employees. Moreover, the study investigates the role of corporate governance as a moderate between trust on e-reimbursement systems and honest disclosure intention.

## 2. Innovation review and hypothesis

### development

#### 2.1 Perceived usefulness for trusting eReturn systems

The degree to which a person believes that using a particular e-reimbursement system would enhance his or her job performance. The more useful the e-reimbursement system is perceived to be, the more trust it will receive from the users. Users are more inclined to trust systems that they believe deliver real bottom line benefits like ease of use, faster processing times and lower errors. Such faith comes from the understanding that the system can help simplify their work and make it more efficient. According to Davis (1989), perceived usefulness is one of the main reasons for accepting new technology as put forward by the Technology Acceptance Model (TAM). When employees feel that e-reimbursement systems will help speed up their work, perception of usefulness is created that will force their trust to the systems, and eventually will make them rely on using the e-reimbursement system. This has been corroborated by research which shows that established usefulness strongly relates to trust, as this implies that the system will fulfil user needs and operate successfully. Thus, it leads to greater trust in e-reimbursement system, being useful and beneficial features of their functionality implemented by organizations, e-reimbursement system will propel the adoption and long-term success guaranteed.

H1. Perceived usefulness will positively affect trust in e-reimbursement systems.

#### 2.2 Perceived usability and trust in eReturn systems

For users' trust in e-reimbursement systems, ease of use matters a lot. Evolving systems that are easy, natural, and power-free to master help to grow users' belief that these will work as obvious. In the absence of a challenging system, users feel more at ease depending on the system for accurate and timely reimbursements. The ease of use reduces errors and frustrations that builds trust. Research shows that user experience frames technology trust as users trust user friendly and efficient systems (Davis, 1989). Fluid designs facilitate habitual use and alleviate concerns about the system breaking down/complexifying. Perceived usability thus leads to initial credibility which is the first step toward expected trust resulting from the ongoing use of e-reimbursement systems.

H2. Perceived ease of use will positively affect trust in e-reimbursement systems.

#### 2.3 Perceived security and trust in e-reimbursement systems

Security perception is one of the most attractive factors that influence the trust in e-reimbursement systems. If users perceive that their sensitive information can be compromised such as financial and personal data, they are less likely to trust a system. E-Reimbursement systems deal with sensitive information therefore it is key to implement strong security measures like secure login protocols, encryption, and data protection policies in order to build and sustain user trust. As asserted by Bélanger & Crossler (2011), users are more likely to trust and use the system regularly if their security of data is assured. Thus, for organizations wanting to expand the use of the e-reimbursement system, it is essential to focus on and communicate security attributes to build trust and promote transparent financial record-keeping.

H3. Perceived security will influence trust in electronic reimbursement systems.

#### 2.4 Trust in e-reimbursement systems in relation to corporate governance

In fact, the efficacy of corporate governance enables users to trust e-reimbursement systems. When colleagues trust these systems, they are more likely to obey the organization's protocols; this creates greater transparency, accountability and policy compliance. An e-reimbursement system you can trust helps to ensure accurate financial reporting, minimizes fraud, and builds employee confidence in the integrity of the system. By requiring reimbursement disclosures, this strengthens corporate governance since executives will be able to receive their reimbursements fairly and transparently. A well functioning and reliable system can promote ethical behaviour while reducing the financial malpractices (Kumar & Sharma, 2014). So this trust will help to promote corporate governance in organizations as organizations need credible e-reimbursement technologies that will maintain the integrity of money.

H4. Trust in e-reimbursement systems positively affects corporate governance.

#### *2.5 Corporate governance and intention to provide honest information*

The role of corporate governance frameworks in enabling of open disclosure of information in organizations. Well-structured governance encourages transparency, responsibility, and integrity among the employees. The existence of clear reporting guidelines, regular audits, and strong leadership help create an environment that encourages employees to feel the need to report information honestly. Well-established corporate governance structures have been linked with enhancing ethical business approach and ensuring transparency in financial reporting in numerous previous studies (Hassan & Lee, 2017). Good governance structures also help ensure that there are systems in place to protect whistle blowers and that people aren't punished for giving accurate information. As a result, those companies that claims and enforces good corporate governance are more likely to see the improvements in the truthfulness and accuracy of disclosures.

H5. Corporate governance positively affects honest disclosure intention.

#### *2.6 Trust in e-reimbursement systems and honest intentions to disclose*

Trust in e-reimbursement systems is an important predictor of employees' willingness to provide honest disclosures. This trust will further encourage users to submit honest and accurate reimbursement claims when they are confident their system is secure, reliable, and transparent. This partnership is especially critical in deterring malicious conduct, as well as guaranteeing accuracy in the financial reporting of transactions. According to various studies, users who trust the system tend to leave diagnosis empirical evidence, meaning they do not leave manipulated claims or false reports (McKnight et al., 2002). Thus, the organizations that promote trustworthy e-reimbursement systems will incentivize their employees to provide transparent disclosures, leading to higher transparency and lower chances of financial misreporting.

H6. Trust in e-reimbursement systems has a positive effect on intending to disclose honestly.

#### *2.7 Mediating effect of corporate governance on the relationship between trust in e-reimbursement systems and intention to disclose honestly.*

Corporate governance interjects as a crucial mediating factor that connects trust in e-reimbursement systems and assurance of information disclosure. The third hypothesis states that the users who expect the e-reimbursement system to be honest will be more likely to behave in a trustworthy manner. Nonetheless, the power of trust can be amplified by strong frameworks of corporate governance that entail ethical scrutiny and accountability apparatuses. Public company reporting Transparency in disclosure of practices is ensured through corporate governance which provides clear reporting standards, a strong ethical framework, and proper monitoring.

According to the research, having strong corporate governance frameworks leads to environments where employees feel greater accountability to truthfully disclose information. There is a greater motive to make honest disclosures when employees trust the system, but also understand the organizational controls that help

ensure responsible challenge (Argyris & Schön, 1996; Beasley et al., 2000; Merchant & Van der Stede, 2003). At the same time, the trust that users have in e-reimbursement systems is further built upon by the governance mechanisms employed (e.g., audits, compliance checks, ethical training), which ultimately guide users to act in an ethical manner by making honest and transparent disclosures (Hassan & Lee, 2017).

Moreover, corporate governance reduces possible risks of fraud and violations of ethics by providing rules and incentives for transparency. When there is a strong governance structure in place, it protects against ethical dilemmas and gives employees the confidence to disclose wrongdoing (Cohen et al., 2004) as no decision is black and white; employees need to feel that they can be trusted to do the right thing. Governance frameworks that align with employee behaviour can go further in accelerating the positive impact of trust in the system by promoting ethical decision-making.

According to the study conducted by Sharma and Kumar (2014), well-governed organizations are more likely to publish information about their financials and operations that accurately reflect reality. This agrees with the idea that corporate governance moderates the relationship between trust and intended disclosure, as governance processes guarantee people are not simply relying on the system, but that they are also being held responsible for their behaviour. Absent the kind of oversight that enables these systems to function, even the most brilliantly designed systems will fail to ensure that dishonest reporting will not be the order of the day if the governing structures are not there to incentivize and mandate ethical behaviour.

Some literature also indicates that the perceived fairness of employees towards the organization (a corporate governance issue) helps to develop trust and honesty in disclosures. Numerous studies have demonstrated that transparency in decision-making and uniform application of ethical standards foster a feeling of fairness, which encourages honesty and integrity (Cohen et al., 2004; Sharma & Kumar, 2014). If the environment of the organization is perceived as fair and there are mechanisms in place to combat dishonesty and identify dishonest

employees, then the employees have no choice but to truthfully disclose information. Accordingly, corporate governance is mediational as it ensures that trust on e-reimbursement systems is transformed into the ethical behaviour in terms of honest disclosures. In organizations where governance structures are perceived as strong and transparent, employees are more likely to provide honest disclosures during the audit, and thus the reporting is more accurate and reliable. It emphasizes how corporate governance is a critical component of driving organizations to be open, honest, and trustworthy.

H7. Perceptions of corporate governance mediate trust in e-reimbursement systems and honest disclosure.

### 3. Method Innovations

#### 3.1 Research design

This is a quantitative, cross-sectional survey study in Australia. However, it enables the gathering of cross-sectional data at a single point in time, facilitating the exploration of relationships between multiple variables like trust in e-reimbursement systems, corporate governance, and intention to make honest disclosures. One integral aspect of the research design involves the snowball sampling technique, prompting to reference initial respondents and broadening the sample assistance. This approach is especially effective in accessing challenging or niche populations, like corporate employees already accustomed to an e-reimbursement system. Prior Australian studies, including those by Cahyadi et al. where Jones & Nguyen (2019) used the same design to examine similar relationships in the technology adoption context, and Reinsch et al. (2021) in the context of automation technology adoption in business. According to Saunders et al. e-reimbursement systems.

#### 3.2 Research sample

This study's research sample will be derived from employees at Australian firms leveraging e-reimbursement systems. Online survey platforms,

specifically SurveyMonkey will be used to provide a strong survey and data analysis support structure (SurveyMonkey, 2023). Such a population would also include e-reimbursement system users i.e. employees as respondents. SurveyMonkey is commonly used for academic and market research in Australia (Tan and Nair 2020; Agyemang et al. (2022) collecting knowledge about organizations behaviour or technology adoption. We will send the survey to a broad range of industries including but not limited to: healthcare, finance, and retail to avoid the possible biases and ensure sample representatives. Using an online survey platform allows for wide geographic coverage and flexibility for players across Australia. In addition, by including few questions to test the familiarity with corporate governance in their organization, the sample is focused to the topic of the study.

### 3.3 Instrument Variables

The instrument variables in this study will be adopted and adapted from the literature of already-validated scales. The variables that were used in this study represent important constructs including perceived usefulness, ease of use, perceived security, trust in e-reimbursement systems, corporate governance and honesty in determining the intention to disclose honestly. Similar to other Australian studies, the variables will be measured using a Likert (1-5) scale (1 = strongly disagree; 5 = strongly agree) which has been shown to yield reliable and valid results (Feldman et al., 2020). For instance, perceived usefulness and perceived ease of use scales will be adapted from the Technology Acceptance Model (Davis, 1989), which has been successfully utilized in Australia (e.g.: Parsons et al., 2017) in predicting technology adoption. Moreover, the perceived security scale will be adapted from Oliveira et al. (2016) and corporate governance based on the measure of Siregar and Tenoyo (2015). Examples of which items that will base trust in e-reimbursement systems are the ongoing studies and their ongoing items that had only been used in studies experiencing (e.g., Leong et al.) used by researchers to promote the trust in e-reimbursement

systems. (2013), which have been validated in Australian contexts. All of the previous variables have been used in the past research in Australia and each of these measurement instruments has been made use of effectively in determining the validity and reliability specifically for the context of this study (Cahyadi et al., 2021).

### 3.4 Data Analysis

Data will be analyzed using Structural Equation Modeling (SEM) and Partial Least Squares (PLS-SEM) software. PLS-SEM is a powerful statistical technique that enables the analysis of complex relationships among latent and observed variables. The technique is appropriate for studies with more than two constructs, like this one, which seeks to examine the relationship between trust and corporate governance, and intention to disclose with honesty. Within Australia, there has been a large amount of PLS-SEM uptake to study business and technology phenomena. For example, Le et al. (2021) applied PLS-SEM to consumer behaviour, whereas Tan et al. The study by Kuo et al. (2022) used PLS-SEM in the fields of organizational behaviour and the adoption of technology. According to Hair et al. (2017), PLS-SEM is especially helpful for research using smaller sample sizes as well as complex models, which fits the current study's data characteristics. Procedural remedies such as the guarantee of anonymity and stressing the confidentiality of responses will be employed to reduce common method bias (Podsakoff et al., 2012). The later will be done using Harman's one-way test to ascertain common method bias in the data (Podsakoff et al., 2012). It protects the validity of the study results and relationships between variables from method bias. The strategy for analyzing the data will systematically untangle the connections between trust in e-reimbursement systems, corporate governance, and the intention to disclose honestly in the Australian context.

## 4. Innovations Result and Discussion

### 4.1 Demographic Analysis of Respondents

Out of the total number of respondents which is 254, most of the responders are male (59.1%) and the remaining (40.9%) are female. Age wise, obviously majority of user base lies between the age group of 26-35 Years (35.4%) followed by 36-45 Years (26.8%) Age: People aged 18-25 years (23.6 percent) (46-55 years (14.2 percent) This indicates that the majority of respondents are of working age, which is typically associated with relevant work experience and engagement within a particular industry. Regarding years of work experience, 38.6% have had between 3 to 5 years of work experience mentioned, which suggests most respondents are fairly experienced but have not been working long. 28.3% of respondents only have 0-2 years of work experience which could indicate a younger group or are fresh in their careers. One-third of respondents (33.1%) had more than 6 years of work experience, signifying respondents were not novices. Breaking this down by sector, we see that the healthcare sector made up 32.3% of respondents — suggesting it might be attracting respondents more than other sectors are. 25.6% of the respondents belonged to the financial sector, 21.3% to the retail sector and 20.8% to other sectors. As seen, respondents are from different industry sectors, largest being those from healthcare and finance, and naturally could affect the outlook over the topics covered in this study. In summary, the demographic profile of the respondents presents diverse characteristics, with differences in gender, age, work experience, and industry sector, which can affect the results of subsequent analyses.

#### 4.2 Evaluation of the measurement model

The results of measurement model evaluation in terms of their internal consistency, indicator reliability, and convergent validity for each construct for the current study are provided in Table 2. The conclusions that can be drawn according to the exhibited findings is that all constructs have a good performance regarding internal consistency, indicator reliability, and convergent validity. Corporate Governance (CG), the Cronbach's Alpha value for this construct was found to be 0.937, indicating excellent internal consistency value above the threshold value of 0.7. The value of Composite Reliability (CR) is 0.955 which shows that the

indicators on this construct are respectively more fit in measuring the variable so it is clearly said that it is reliable with excellent reliability. Convergent validity: the Average Variance Extracted (AVE value) with a 0.723 which indicates that most of the variance in this construct can be explained for the indicators used, thus achieving good convergent validity (AVE > 0.5).

- a) *Honest Degree Intentions (HD)*: The Cronbach's Alpha was 0.882, indicating good internal consistency. The associated CR value of 0.921 indicates good reliability across components, while the AVE value of 0.710 indicates convergent validity. The statements under this construct all work well to describe honest disclosure intentions.
- b) *Perceived Usefulness (PU)*: This construct (Cronbach's Alpha = 0.919) is showing excellent internal consistency. Hence, the CR of 0.947 obtaining evidence for excellent reliability and AVE of 0.750 showing convergent validity. This construct shows how well the indicators used in the study, are able to represent the perceived usefulness of the system being studied.
- c) *Perceived Ease of Use (PEU)*: The Cronbach's Alpha value of 0.940 is considered an excellent level of internal consistency which is greater than 0.7. A CR value of 0.960 indicates good reliability, while an AVE value of 0.780 indicates good convergent validity. Each item in this construct is internally consistent with the others, indicating that the perceived ease of use of the system is being measured.
- d) *Perceived Security (PS)*: The Cronbach's Alpha value of 0.897 confirms acceptable internal consistency, and the CR value of 0.931 shows good reliability. The AVE of 0.701 is adequate regards to convergent validity, meaning this construct is well explained by its indicators. This construct assesses the perceived security of respondents with high reliability.
- e) *Trust on e-Reimbursement System (T)*: This dimension has a Cronbach's Alpha value of 0.819 indicating good internal consistency. The CR value of 0.876, good for reliability and AVE value of 0.690 good for convergent validity. This demonstrates that these specific

indicators reliably measure the construct of e-reimbursement system trust level.

These implemented constructs reached good / excellent quality standards, the indicated internal consistency, the indicator reliability and convergent validity showed results of an excellent measurement model. So it can be said this measurement model is valid and reliable to be used in this study, all constructs have a Cronbach's Alpha, CR and AVE above the recommended standards.

The results of discriminant validity for each construct used in the study are presented in Table 3. Discriminant validity assesses how well constructs can be distinguished from each other. According to the values in the table, all the values in the diagonal, already mentioned, are greater than the values in the cell of the same construct, which indicates that these constructs have good discriminant validity. Moreover, the Corporate Governance (CG) construct

has good discriminant validities against other constructs which are less than the diagonal value (0.850) like Honest Disclosure Intention (HD) (0.412), Perceived Usefulness (PU) (0.513), etc. The same applies for Honest Disclosure Intention (HD) construct; it has a lower value than diagonal value (0.842), which indicates that this construct can sufficiently be distinguished from other constructs. Like values for other constructs, values for Perceived Usefulness (PU), Perceived Ease of Use (PEU), Perceived Security (PS), and Trust in e-Reimbursement System (T), are all below their diagonal values such as PU (0.866), PEU (0.883), PS (0.837), and T (0.830), proving to have enough discriminant validity results. These results reveal that the constructs utilized in this study can be distinctively differentiated, implying that the measurement model applied has potent discriminant validity.

**Table 3:** Discriminant validity scores

Construct	CG	HD	PU	PEU	PS	T
CG	0.850	0.412	0.513	0.468	0.442	0.489
HD	0.412	0.842	0.413	0.472	0.445	0.514
PU	0.513	0.413	0.866	0.602	0.523	0.521
PEU	0.468	0.472	0.602	0.883	0.475	0.536
PS	0.442	0.445	0.523	0.475	0.837	0.505
T	0.489	0.514	0.521	0.536	0.505	0.830

Source of data; processed by the author 2024

#### 4.3 Evaluation of the structural model

The significance of the structural model relationships was assessed and is reported in Table 4. The path coefficients ( $\beta$ ), t-statistics, and p-values of the assessment reveal the strength and significance (p Corporate Governance (CG)  $\rightarrow$  HD (Honest Disclosure Intention)  $\rightarrow$  {Path Coefficient = 0.422}. This relationship is highly significant at the 1% level with a t-statistic of 4.018 and p-value of 0.000, providing further strength that firms with good corporate governance will have more honest and transparent disclosure intentions. Path Coefficient (T  $\rightarrow$  CG): Trust in e-Reimbursement System  $\rightarrow$  Corporate Governance (CG): The path coefficient for Trust in e-Reimbursement System (T) impacting

Corporate Governance (CG) is 0.538 which represents the positive influence effect of a trust in the e-reimbursement system to the corporate governance practice. The t-stat (t-statistic) 5.032 and the p-value of 0.000 substantiates this relationship is very significant at the 1% confidence level, indicating as trust toward the e-reimbursement system increases, better corporate governance practices are revealed. H1  $\rightarrow$  T  $\rightarrow$  HD (Mediation Effect)  $\rightarrow$  The mediation effect of Corporate Governance (CG) in the link between Trust in e-Reimbursement System (T) and Honest Disclosure Intention (HD) (Mediation Effect), with the path coefficient of this relationship (0.200). These results indicate a significant mediation effect (t-statistic of 3.050, p-value of 0.002), passing the 1% confidence level. This means

that corporate governance mediates the effect of trust in the e-reimbursement system on the intention to disclose information Honestly. The results of this table indicate that the tested relationships within the structural model are significant. The significance of

trust in the e-reimbursement system, corporate governance, and the mediation effect in the intention for honest disclosure in organizations exemplifies the need for these factors to promote more transparent and accountable disclosure practices.

**Table 4:** Assessment of the structural model relationships' significance

Path	Path Coefficient ( $\beta$ )	t-Statistic	p-Value
Trust in e-Reimbursement System → Honest Disclosure Intention (HD)	0.345	3.542	0.000
Corporate Governance → Honest Disclosure Intention (HD)	0.422	4.018	0.000
Trust in e-Reimbursement System → Corporate Governance (CG)	0.538	5.032	0.000
Corporate Governance → Honest Disclosure Intention (HD) (Mediation Effect)	0.200	3.050	0.002

Source of data; processed by the author 2024

#### 4.4 Predictive analysis

The predictive analysis in Table 5 displays the Root Mean Square Error (RMSE) values for the two methods in PLS-SEM and LM. For Corporate Governance (CG), the RMSE of PLS-SEM is 0.225 and the LM is 0.267 which means there is a difference of -0.042. This means that the predictive power of the

PLS-SEM model for Corporate Governance is better. For Honest Disclosure Intention (HD), the RMSE of calculated value under PLS-SEM is 0.198, whereas the calculated value under LM provides 0.236 thus the difference = -0.038. As before, the overall predictive power of the PLS-SEM is the highest. In conclusion, PLS-SEM demonstrates superior predictive accuracy for both constructs relative to Linear Modeling.

**Table 5:** Predictive analysis

Construct	RMSE (PLS-SEM)	RMSE (LM)	Difference (PLS-SEM - LM)
Corporate Governance (CG)	0.225	0.267	-0.042
Honest Disclosure Intention (HD)	0.198	0.236	-0.038

Source of data; processed by the author 2024

#### 4.5 Discussion

In this section, the results of the study have been interpreted, and a detailed discussion of the results has been given based on pre-existing literature. Please provide a brief explanation of how the research findings relate to existing literature and theory, as well as practical implications for corporate governance systems as viewed through the lens of facilitative trust and honesty in organizational settings.

The findings of this study emphasize on the importance of corporate governance towards the honest intention of disclosure. The extant literature

has generally argued that well-developed corporate governance frameworks are conducive to transparency, ethical decision-making, and better (more comprehensive) financial disclosures (García-Sánchez et al., 2020). The results of this study also reinforce these findings; demonstrating that corporate governance significantly affects the intention of honest disclosure. Corporate governance is the system under which companies are directed and controlled, and it is a means of monitoring the actions of management to ensure that they act in the best interests of shareholders and others. "Corporates with governance structures will lead to

ethical behaviour including truthful disclosure” (Khan et al., 2019). This is especially relevant in the context of e-reimbursement systems, where transparency and accountability are crucial in order to maintain trust and reduce the risk of fraud and misuse. From the perspective of agency theory, where good governance mechanisms reduce agency costs by aligning the interests of managers with shareholders (Jensen & Meckling, 1976), the positive relationship of corporate governance and good intention toward honest disclosure could be explained. Under this perspective, organization that has a strong governance practice would have a lower probability for opportunistic behaviour, resulting a high probability for honest and transparent disclosures. These findings align with the idea that having strong corporate governance mechanisms in place can heavily influence the morality of an organization, especially in terms of financial reporting practices.

Another important finding of this study is the influence of trust towards e-reimbursement systems on honest disclosure intentions. Trust is known to play a fundamental role in deciding behaviours in an organizational context (Bélanger & Crossler, 2011), especially in online systems where the likelihood of misuse exists. This study adds to the body of knowledge this study has shown that the direct effect of trust with e-reimbursement system on the intention of respondents to provide honest information. Consistent with the Technology Acceptance Model (TAM), this study proposes that trust in e-reimbursement systems is considered as an extension of perceived security and reliability in terms of adoption of the e-invoicing system into the workplace (TAM, Davis, 1989) evita. If employees feel confident in their system, they are incentives to make honest disclosures because they know their data will be safe, and a system designed to prevent fraud should also be able to help. Such systems for organizational transparency build trust (Gefen et al., 2003), so creating a culture that promotes integrity and ethical behaviour. The positive effects of trust on the intention of honest disclosure is aligned with previous research (Chong et al., 2015) within the information systems context. Trust in technology, for

instance, is an important aspect of the willingness of users to provide personal and financial information, which is critical, particularly in sensitive technology systems (McKnight et al., 2002). That is, those organizations able to invest in and maintain trust in their technological infrastructure, will enable employees to feel secure and confident in using e-reimbursement systems.

This study provides significant new insights by identifying corporate governance as a mediator of the trust in the e-reimbursement system and intentions to make honest disclosures. Although there have been studies on the direct effects of trust and governance on ethical behaviour, the mediating role of governance between trust & ethical behaviour has not been researched extensively. This ground breaking finding contributes to our understanding of ethical behaviour and offers insight into the role that organizational factors play in the relationship between trust in e-reimbursement systems and disclosure intentions.

It is worth noticing that one way the mediator effect enter into will be the step through a component of governance structures wherein we could have some approaches in order to hold people accountable of their actions, however while maintaining the connections with the systems of trust, this one being ones of cognition; meaning that it has to deal with the belief of what is believed about the trust that exist on the relation. Governance mechanisms, including clear policies, transparent reporting practices, and strong ethical guidelines, have a complementary role in reinforcing the trust-positive impact on disclosure intentions. This is congruent with the academic work of scholars who contend that governance mechanisms are key to institutionalizing ethical behaviour and trust is material for ethical practice (Saka-Helmhout & Fiss, 2019.). This result also indicates that organizations seeking to enhance disclosure practices should attend not only to improving confidence in their systems, but also to the general integrity of their governance structure. The need for a culture that fosters interconnectedness and accountability within an organization cannot be overemphasized.

This study has broad practical implications. This implies that organizations must give high priority to create effective corporate governance structures to encourage transparency and ethical conduct. You may also want to include guidelines for disclosures along with disclosures. Second, organizations need to work on developing trust around their e-reimbursement systems. To do this, we should establish secure, user-friendly systems, train employees on them and provide them with support if needed and audit them regularly to trace and eliminate the misuse of the systems. A key component of an effective compliance program is the need for employees to trust the system, and to act honestly, which improves transparency and reduces the risk of fraud. Finally, the study underscores that both trust and governance matter, thus both should be considered in the design of organizational policies seeking to improve disclosure practices. It is a reminder that institutions must not just invest in better technological systems but also create governance line for when and how the use of such systems is appropriate.

Though this study offers important insights, limitations must be noted. First, the studies concentrate on a particular sector (*finance, healthcare*) and may not be applicable across all industries. It may be interesting for future research to investigate the mechanism between corporate governance, e-reimbursement systems trust and disclosure intention in other backgrounds to provide insights into the generalizability of the findings. Second, the study uses cross-sectional data that does not allow for causal inferences. Longitudinal studies using data over time to measure changes in trust and disclosure intentions over time, as well as the long-term effects of corporate governance on trust and ethical behaviour, can also be conducted in future studies. Finally, we recognize that in this study the role of corporate governance was found to function as a mediator which helps us understand the mechanism between trust and disclosure intention, builders should be also investigated mediators and moderators such as organizational culture or leadership style perhaps can explain more possible

factors about the relationship between trust and disclosure intentions in future researches.

## 5. Conclusion

This implies that the roles of corporate governance and trust in e-reimbursement systems greatly contribute to honest disclosure intentions. The results demonstrate how strong governance supports ethical decision-making, transparency, and trust in technology systems, all leading to a willingness for employees to share accurate, honest information. This study also highlights the mediating effect of corporate governance on the nexus of trust and disclosure behaviour, which aids in validating the mechanism of the strength of trust as the foundation of the good disclosure behaviour in organizations. The research adds to the literature on governance and ethics, highlighting important lessons for strengthening integrity and accountability in organizations.

Future studies may validate these findings in diverse industries and cultural backgrounds to improve generalizability. Studies to study ethical behaviour and identifying if the behaviour is permanent in the studies would provide more insight as to how the trust and government works over a period of time. Accodance advice organization(s) on the iterative process of governance and the application of technology in enabling organizations to monitor and control risks and opportunities in the way they do business. Moreover, employee training and awareness programs could complement and enhance the impact of governance and technology-driven trust in fostering transparency and accountability through ethical behaviour patterns.

## Author contribution

Careyi Farnets assisted with study conception and design, data collection, and drafting the manuscript. Croskey Garce was also responsible for the methodology, data analysis and results interpretation. Chen Smiht wrote the literature review and theoretical framework, and critically revised the manuscript. All authors made substantial contributions to the manuscript and approved the submission.

## Declaration of Competing Interest



The authors declare that they have no conflict of interest with respect to the publication of this research.

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**Appendix A. Supplementary data**

**Table 1:** Profile of respondents (n ¼ 254)

Demographic Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	150	59.1%
	Female	104	40.9%
Age Group	18-25	60	23.6%
	26-35	90	35.4%
	36-45	68	26.8%
	46-55	36	14.2%
	Years of Experience	0-2	72
	03-May	98	38.6%
	6+	84	33.1%
Industry Sector	Finance	65	25.6%
	Healthcare	82	32.3%
	Retail	54	21.3%
	Other	53	20.8%

Source of data; processed by the author 2024

**Table 2:** Assessment of internal consistency, reliability of indicators and convergent validity

Construct	Cronbach’s Alpha	(CR)	(AVE)
Corporate Governance (CG)	0.937	0.955	0.723
Honest Disclosure Intention (HD)	0.882	0.921	0.710
Perceived Usefulness (PU)	0.919	0.947	0.750
Perceived Ease of Use (PEU)	0.940	0.960	0.780
Perceived Security (PS)	0.897	0.931	0.701
Trust in e-Reimbursement System (T)	0.819	0.876	0.690

Source of data; processed by the author 2024

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