Asia Pacific Journal of Research in Business Management
Vol. 9, Issue 7, July 2018 Impact Factor: 5.16, ISSN: (2229-4104)
www.skirec.org Email Id: skirec.org@gmail.com

EFFECT OF EMPLOYEE DISHONESTY AND FRAUD ON PROFITABILITY OF MANUFACTURING FIRMS IN NIGERIA

Kechi Kankpang & Joseph Nkiri

Department of Accounting, University of Calabar- Nigeria

Uket Ewa

Department of Accountancy, Cross River University of Technology, Ogoja – Nigeria

ABSTRACT

The objective of this study was to examine the effect of employee dishonesty and fraud on profitability of manufacturing firms in Nigeria. The ordinary least square model estimation technique was used to analyse the relationships between kickbacks, cash theft and firm profitability as measured by EPS. The results shows that kickbacks and cash theft have no significant effect on profitability though kickback is negatively related to firm performance. We recommend that organisations should employ strict internal controls, while government should continually review anti-corruption laws and other fraud related laws in the country to deter possible offenders at all levels and sectors of the economy.

KEYWORDS: Fraud, dishonesty, kickbacks, cash theft

1. INTRODUCTION

1.1 BACKGROUND

Organizations in all the sectors of the economy usually incur different types of costs on the production and delivery of goods and services. These costs include those expended on materials used in the production process, wages and salaries paid for labour, rates and taxes paid to the state and their various agencies, rents and research and development related investments.

Added to this is the cost of dishonesty and other forms of occupational frauds and abuse of office perpetrated by staff which is often not recognized by the financial reporting system, but which have severe consequences for the overall operating cost profile of the firms. Fraud and dishonesty are crimes that are perpetrated through deception as the mode of operation. Fraud and dishonesty could take three forms: force, trickery or larceny (Wells, 2007). Since an employee holds a position of trust in his employing organization, he may not have to deceive or trick someone, but may steal his employer's money, assets, time or other valuables in violation of the trust his employer has in him. Apart from stealing the employer's resources, fraud may also include several other acts of abuse of office that are usually costly to the employer.

The costs associated with employee fraud and dishonesty are essentially a hidden one, and as such does not appear in the financial statement even as it eventually affects the establishment's operational efficiency as well as bottom line (profitability), especially in the use of resources. Employee fraud and dishonesty is usually a violation of the employee's fiduciary duty to his employing organization. This is because, each time a dishonest act is committed, not only is the employer's property stolen, there is also breach of the trust by the employee, who will benefit from the act (Wells, 2007).

Many business organizations have gone bankrupt and shut down because employees have stolen the capital, profits and future of their employing organizations. Such fraud has observably been at the root of the failure of many corporate entities across the world. It is in the light of the significance of the effects of fraud and other employees' dishonesty that this study seeks to determine the extent to which they affect the profitability of organizations.

1.2 PROBLEM DEFINITION

Fraud and other associated dishonest acts are serious and costly problems for both private and public organisations alike. Stealing and dishonesty by staff affect the operations of firms in different ways. Employee fraud in today's business world arguably accounts for a major part of the cost of doing business. These fraudulent acts could be executed by submitting an invoice for goods or services not provided, overstating bills or invoices and converting official property for personal use. The effect of this form of dishonesty by staff is that it reduces the returns earned by a manufacturing company from it turnover and by extension the profitability. Furthermore, when transactions are not recorded/reported or under-reported, a business organization suffers loss of sales revenue and income. This problem directly affects the firm's ability to make the profits that are required to sustain the business.

The intentional stealing of one's employer cash through forging of cheques, taking cash from the vault, submission of false invoices to get payment from the companies and doctoring of time book to earn undeserved cash from their employer affects the earnings of the firm as well as their profitability. Similarly corruption which is another dimension of fraud and takes the form of bribery, kickback, conflict of interests, overbilling schemes, diverting business to vendors, bid-rigging, economic extortion, illegal gratuities, purchase schemes, sales schemes, resources diversions and financial disclosures affects the profitability of manufacturing organisations.

All the above fraudulent activities are sources of risk because their occurrence are difficult to predict and when they occur, they could disrupt the operations of a business as well as carefully formulated plans of businesses thereby precipitating a chain of undesirable consequences and thus affect performance.

1.3 OBJECTIVES OF THE STUDY

The objective of this study is to determine the extent to which employee fraud and dishonesty affects the profitability of manufacturing companies in Nigeria. The specific objectives are:

1. To investigate the extent to which kickbacks (Corruption) received by employee affects the earnings per share (EPS) of manufacturing companies in Nigeria;
2. To examine the extent to which cash theft (Cash Larceny) by employee affects the earnings per share (EPS) of manufacturing companies in Nigeria;

1.4 STUDY HYPOTHESES

The following null hypotheses have been formulated for the study:

H1: Kickbacks (Corruption) received by employee has a significant effect on the earnings per share (EPS) of manufacturing companies in Nigeria.

H2: The earnings per share (EPS) of manufacturing companies in Nigeria is significantly affected by cash theft (Cash Larceny) by employee.

1.5 SCOPE OF THE STUDY

The study is limited to southern Nigeria, where manufacturing companies were selected for the study. This geographical area is made up of south- south, south-east and south-west geopolitical regions.

2. THEORETICAL FRAMEWORK AND EMPIRICAL REVIEW

2.1 MEANING OF FRAUD

Fraud could be defined as a deliberate action perpetrated by a person aimed at securing an unfair or unlawful profiting. It involves undermining public trust and the damaging of a firm's reputation for integrity (Garner, 2004; KPMG Forensic, 2004 cited in Kankpang, 2011). Fraud is a calculated misrepresentation of facts involving the use of words, actions or concealment of facts aimed at obtaining unmerited advantage. It is the perpetration of dishonesty in conduct or words. For fraud to take place, the victim must suffer some form of financial loss to the advantage of the fraudster (Clemency, 2002). According to Kankpang (2011), Garner (2004) and KPMG Forensic (2004) fraud can be categorized into fraudulent financial reporting which involves improper revenue recognition, overstatement of assets and understatement of liabilities, misappropriation of assets involving embezzlement, payroll fraud, external theft, procurement fraud, royalty fraud as well as counterfeiting. They further identified another category of fraud to include revenue or assets gained by fraudulent or illegal acts. Accordingly, they argued that this form of fraud may take the form of over-billing customers, deceptive sales practices, accelerated revenue and bogus revenue. Other forms of fraud perpetrated by employee or senior management staff of organisations identified by Gates and Jacob (2009) include expenses or liabilities incurred for fraudulent or illegal acts which take the form of commercial or public bribery, kickbacks. A review of literature has revealed that all deceptions are not frauds. According to Gate and Jacob (2009), for deception to meet the legal definition of fraud, there must be damage, usually in terms of money, to the victim. This under the common law must include a material false statement, knowledge that the statement was false when it was uttered, reliance on the false statement by the victim and damages suffered by the victim as a result.

2.2 THEORETICAL FOUNDATION

This study is anchored on the rational choice theory, fraud triangle theory and the theory of employee theft. Rational choice theories which was developed by Marcus Felson and Lawrence Cohen (1968) (cited in Felson & Clarke, 1998) argued that the rational choice theories are applicable to employee fraud by combining elements of classical theory as well as economic theory in explaining the criminal behaviour of individuals. From a classical perspective, human beings are considered inherently reasonable and pleasure-seeking beings who logically calculate the potential costs and benefits of a given act (Beccaria, 1764 cited in Hollinger & Davis, 2006). Being self-satisfiers, human beings will logically make decisions that will avoid pain and give them maximum amount of pleasure, even if it means violating the rules and regulations (Bentham, 1789 cited in Hollinger & Davis, 2006). Employee steals from their employers when they perceived an opportunity to take advantage of that has a limited risk of being detected or caught. The perpetration of the act of stealing by employee is usually supported by a high potential for personal benefit to the defaulting employee. While building upon the classical theory principles, traditional rational choice theories used an economic model to affirm that employees were self-interested offenders primarily influenced by the pursuit of monetary profiting.

On its part fraud triangle theory which was developed by Donald Cressey (1953) cited in Cressey (1993) was developed from findings gathered from trust violators. He was especially interested in the circumstances that lead trust violators to be overcome by temptation. According to Cressey (1993), non-shareable problems can be divided into six basic subtypes: violation of ascribed obligations, problems resulting from personal failure, business reversals, physical isolation, status gaining, and violation of ascribed obligations which is the spectre of being unable to pay one's debt has historically proved strong negotiator. In conclusion, the Cressey's classic fraud triangle helps explain the nature of many but not all- occupational offenders and could in this instance explain the basis of the perpetration of fraud and dishonesty by staff in organisations.

2.3 EMPIRICAL EVIDENCE

Nwankwo (2013) study on evaluating the impact of fraud on the performance of commercial banks in Nigeria was geared towards ascertaining the relationship between bank ATM fraud, forged cheques, clearing cheque fraud and bank performance. The study population was First Bank Plc and employed OLS (regression analysis) on bank performance measured using EPS against clearing cheques frauds, ATMS frauds and forged cheques frauds. The study revealed a positive relationship between banking industry performance and clearing cheques fraud but a negative relationship between EPS, ATM bank fraud and forged cheques fraud. In his contribution, Idolor (2010) study investigated the common types of bank frauds in Nigeria, the underlying causes, level of staff involvement, consequences and possible preventive measures using a sample of 100 bank staff respondents in Benin City, Edo State, Nigeria. The study revealed that among the common fraud plaguing the banking industry, computer fraud was ranked the highest perceived fraud followed by manipulation of voucher and theft as well as embezzlement. The study further revealed that unofficial borrowing by staff and foreign exchange malpractices posted negative values implying that bank employees no longer view unofficial borrowing and foreign exchange malpractices as types of fraud since the practices are common and widespread in the industry where their act are seen on normal business practice aimed at generating higher returns for the banks as regards foreign exchange malpractice or normal informal borrowing that is resulted to in times of dire need and repayment is often effected through issuance of post-dated cheques by employees. The study also revealed that among the factors motivating fraud, greed ranked highest as a motivator while loss of customers' confidence is considered the most important consequence of bank fraud amongst respondents.

Okoye and Gbegi (2013) study determined the impact of fraud and related financial crimes on the growth and development of Nigerian economy. The study was conducted in Nigeria using historical research method by reviewing data on fraud, GDP and inflation from 2007 to 2011. The result of the study revealed that fraud and related financial crimes have significant effects on the Nigerian economy measured by the GDP. Although the study concluded that fraud and related financial crime have significant effect on GDP, the data year on year showed increase GDP in the years when fraud increased in value.

Chiezey and Onu (2013) study evaluated the impact of fraud and fraudulent practices on the performance of banks in Nigeria within the period 2001 to 2011 with the sole aim of ascertaining whether fraud and fraudulent activities have any effect on bank performance in Nigeria. The paper revealed that fraud inflicted severe financial difficulty on banks and their customers as well as depletion of shareholders' funds by way of: (a) Dividend pay-out; (b) Availability of loanable funds and (c) Transfer cost to the society.

Moorthy, Ng, Kumar, Yew and Suat (2013) carried out a study to determine the factors contributing to employees' theft behaviours in large retail organizations in Malaysia and the most significant workplace factors that promotes theft behaviour among employees in the large retail organizations in Malaysia. Data was obtained from 342 questionnaires distributed to managers, supervisors, retail section employees and security personnel in large retail organizations in Kuala Lumpur. The study revealed a positive connection between compensation, organizational justice system, organizational ethics, internal control systems, laxity in punishment and employee theft behaviours.

Nia (2015) studied financial ratios between fraudulent and non –fraudulent firms: Evidence from Tehran Stock Exchange. The study was targeted at highlighting those financial performance measures that are affected by fraudulent activities in firms. A quick look at the study revealed that, two basic types of fraud exist in practice including asset misappropriation and fraudulent financial reporting. This occurs when the company does not match sales with corresponding cost of goods sold, thus increasing gross margin, net income and strengthening the balance sheet. In addition, manipulation of inventories is in the form of fraudulent reporting of inventories when they are reported at values lower than the cost or market value, and or choosing not to report or record obsolete stock. Accordingly, higher or lower margins are related to issuing of fraudulent financial reports.

Hamilton and Gabriel (2012) study on the dimensions of fraud in Nigerian quoted firms was aimed at examining the management of fraud in quoted companies in Nigeria. The study was carried out in Port Harcourt using 22 quoted companies which were sampled from a list of 23 quoted firms on the Nigerian Stock Exchange as at February 2006. For each of the firms, three copies of the research instrument were administered to three respondents resulting in 69 in all, out of which 32 copies were returned.

The study revealed that poor internal control systems are the major cause of fraud in Nigeria firms, funds diversion was also identified as the commonest form of fraud while most firms do not make fraud cases public. It was in addition revealed that young people within the age bracket of 31 and 40 years and polygamists recorded the highest cases of involvement in fraudulent activities amongst workers in organisations. More male than female were also found to be involved in fraudulent activities. This study is of great importance as it is clear that fraud can be minimized through better internal control systems and placing those personality types with the least propensity to commit fraud in sensitive and vulnerable positions (Hamilton & Gabriel, 2012).

Ijeoma and Aronu (2013) study on the impact of fraud management on organisational survival in Nigeria aimed at examining the contribution fraud management has on the survival of different organizations in different sectors of the Nigerian economy. The data used in the study was collected using questionnaire distributed to a targeted sample of 44 out of 50 small and medium scale business organisations in Anambra State of Nigeria using the Cochran's formula for determining appropriate sample size. The chi square test was used to analyze the data presented in the study. The study highlighted the implications of identifying the most appropriate and effective fraud management strategies for an organisation, industry or sector. It revealed that there is no generally acceptable fraud management or mitigation strategy but peculiar strategies for specific scenarios (Ijeoma & Aronu, 2013).

Kochanova (2012) studied the effect of bribery on firms' performance: Evidence from Central and Eastern European Countries. The study was carried out to determine the relationship between bureaucratic corruption and firms' performance. The study adopted a combination of information on bribery practices from BEEPS with reliable firm performance data from the Amadeus database. The study revealed that bureaucratic corruption negatively affects both the sales and labour productivity growth of companies. The study also indicated that a higher dispersion of firms' bribing behaviours with a defined market facilitates a firms' performance. From the standpoint of manufacturing companies, the study revealed that on the average, corruption (fraud) tends to lower sales growth and increases labour productivity growth. The authors postulates that higher levels of bribery or corruption related fraud in the manufacturing sector retards the performance of manufacturing firms, especially real sales growth and that, firms that engages in high level of bureaucratic corruption (fraud through bribery and corruption) records lower performance indices and their performance can only be improved through effective implementation of fraud risk management strategies and fraud mitigation and management techniques (Kochanova, 2012).

Kurant (2014) studying the consequences of fraudulent misreporting of SEC enforcement actions on target companies and the overall impact it has on their industry competitors using data from 2006 – 2012 for US market revealed that raw returns and cumulative abnormal returns (CARs) were negative for fraud companies but positive for peers. When the equally weighted index and risk measures were introduced, CARs for both groups were positive. In addition, the study also revealed that fraud disclosures caused an increased in total risk and residual risk but decrease in systematic risk (Kurant, 2014). The result is significant because it reveals that: Fraud can negatively affect industry peers; Disclosure of negative information can force new (and lower) valuation of the companies within the sector and competitors could benefit from fraud by customer outflow from the accused company. This means that for organizations to survive in a competitive market place, fraud must be reduced to the barest minimum since it is very difficult to eradicate fraud completely.

3. METHODOLOGY

3.1 RESEARCH DESIGN

The study adopted a cross - sectional survey in order to describe the nature of the universe or population, as well as determine the nature of relationships between variables at a given point in time. The key research elements involved in the study were the top management as well as employee of manufacturing companies operating in southern Nigeria quoted in the Nigerian Stock Exchange. The population of the study is fifty thousand, three hundred and eighty -five (50,385) employees as reported in NSE Fact Book, 2014 and they spread across the entire manufacturing companies operating in the regions. The sampling frame for the study was the list of top management staff of the selected manufacturing companies under the study. This was designed to capture the entire 70 manufacturing companies operating in the three geo-political regions of south-south, south – east and south – west. The sample size of 397 respondents was selected using the Taro Yamani formula.

3.2 MODEL SPECIFICATION

A Fraud Performance Model (FPM) was developed and the essence of this model is to measure the reliability of the independent variables. Accordingly, the relationship between staff fraud and dishonesty and profitability is expressed in the following equations:

$$\text{Firm Perf.} = f(KB, CT)$$

The statistical model becomes:

$$\text{Firm Perf.} = b_0 + b_1KB + b_2CT + + e_1$$

Where:

Firm Perf = firm Performance measured by EPS

KB = Kick Back

CT = Cash Theft

Where KB and CT, were the employee fraud strategies adopted in the study’

b_0 = Unknown coefficient to be estimated

b_1 & b_2 = coefficient of the contribution of the independent variables: Kick back (KB) and Cash Theft (CT) to the attainment of the dependent variables (Firm Performance).

e_1 = Error term

$b_0, b_1, b_2 \geq 0$.

3.3 Data estimation technique and treatment

The study adopted an inductive and empirical methodological framework and the hypotheses are rigorously tested. The ordinary least square (OLS) regression and correlation coefficient was adopted in the determination of the relationship between the variables in the study. To ensure the validation of the research hypotheses, the independent student t-test was adopted arising from the OLS result interpretation.

4. RESULTS AND DISCUSSION

4.1 RESULTS

The table below shows the OLS result where the estimated Pearson Correlation, Standard errors, t-value and Coefficient of determination are arranged vertically for each employee fraud variables. The t-value is calculated using a two-tailed test. The level of significance of 5 per cent is used. The Coefficient of determination (R^2) and F-statistic are also presented. The R^2 measures the goodness of fit of the regression equation, that is, it gives the proportion or percentage of the total variation in the dependent variable explained by the exploratory variables. The adjusted R^2 is a better goodness of fit than R^2as it adjusts for increasing R^2 when a new explanatory variable is added to the model. The F-statistic is used to test whether the regression equation taken as a whole significantly explains the variation in the dependent variable.

Variable	Estimated coefficient	Standard error	t-value	Sig.
Constant term	36.380	7.946	4.579	.000
Kickbacks	-.503	.551	-.912	.362
Cash theft	.201	.554	.363	.717
Rho	.258			
R^2	.067			
Adjusted r^2	.054			
F-statistic	5.134			
DW	.513			

a. Predictors: (Constant), kickbacks, cash theft
b. Dependent variable: EPS

Source: SPSS version 22 Result

The model measured the combined effect of kickbacks (KB) and cash theft (CT) on the profitability of manufacturing companies measured by EPS. The result of the Durbin-Watson (DW) was 0.513. This figure is below 2 and showed that there is threat of independent error for the equation and the presence of auto-correlation. The result also shows a F-statistics of 5.134 indicating that the model employed to explain the variations is adequate and significant at p <0.001. This reveals that the model is capable of explaining variability in the variables. The result further shows a negative coefficient for kick back (KB), with a coefficient of -0.503. The coefficient for cash theft (CT) was found to be positive. The above result indicates that the negative coefficient confirms the apriori expectation that the fraud variable of kick back will negatively affect the profitability of manufacturing companies. The positive coefficient obtained for cash theft (CT) indicates that the occurrence of cash theft in manufacturing companies is not significant to cause a negative effect on profitability. Further review of the result indicated that kick back (KB) and cash theft (CT) were insignificant at 5% level. The foregone result therefore suggests that manufacturing companies' profitability measures by earnings per share (EPS) is negatively affected or decreases as a result of kick back (KB) with negative coefficients of -0.503 while cash theft does not show strong relationship effect with the performance of the manufacturing firms.

4.2 TEST OF HYPOTHESES

In testing hypothesis one which states that kickbacks received by employee has a significant effect on the earnings per share (EPS) of manufacturing companies in Nigeria, the result showed a calculated t- statistic of -0.912 with a p-value of 0.362 indicating an insignificant negative effect of kick back on EPS. Therefore, the null hypothesis was accepted that kick back does not have a significant effect on the profitability of manufacturing companies in Nigeria.

In testing hypothesis two which states that the earnings per share (EPS) of manufacturing companies in Nigeria is significantly affected by cash theft by employee, we carried out a study to determine whether employee fraud through Cash theft has a significant effect on the profitability of manufacturing companies measured by EPS. The result shows a calculated t-value of 0.363 with a p-value of 0.717. The implication of the above result is that employee fraud through cash theft has an insignificant effect on the profitability of manufacturing companies measured by EPS. Arising from the above, the null hypothesis that the earnings per share (EPS) of manufacturing companies in Nigeria are not significantly affected by cash theft by employee stands accepted.

4.3 DISCUSSION

This study which is on the effect of employee fraud represented by kick back (corruption schemes) and cash theft (cash larceny) on the profitability of manufacturing companies in Nigeria revealed that employee fraud through kick back does not have an effect on the profitability of manufacturing companies. This result contradicts the outcome of other studies such as Kochanova (2012), Nia (2015) and Kurant (2014) which indicated a significant negative effect of fraud on performance indices of companies.

The result of the test of the hypothesis two revealed that cash theft (Cash Larceny) has a positive but insignificant effect on the profitability of manufacturing companies measured by EPS. This result was found to be a straight contradiction of the findings of Chiezey and Onu (2013) who in their study found that fraud through cash theft inflicts severe financial difficulties on banks and their customers as well as depletion of shareholders' funds. Arising from the above, this study has shown that cash theft in manufacturing companies is not significant as compared to banks and it occurrences hardly affect the performance of companies in the manufacturing industry.

5. CONCLUSION AND RECOMMENDATIONS

Although employee fraud perpetrated by kick back (corruption) is expected to have a significant effect on the performance of businesses, this study has shown otherwise. The study has shown that kick back has a negative effect on performance but the effect is not significant. By implication, it is therefore concluded that kick back negatively affects performance but insignificantly. Because the manufacturing sector is expected to record very low cash handling, the effect of cash theft on operations as well as profitability has been found to be insignificant and positive which contradicts the a priori expectation of a negative relationship. Arising from the above, it is therefore concluded that cash theft does not have any significant effect on the profitability of manufacturing companies. The researchers wishes to make the following recommendations based on the findings and conclusions drawn from this study: Preventive controls such as segregation of duties, access rights and restrictions, effective supervision, strict and responsive authorization and approvals, frequent job rotation, compulsory holidays and annual vacations at all levels of the organization should be put in place to ensure that fraud and financial misconduct is prevented from occurring in the first instance. Government should continually review anti-corruption laws and other fraud related laws in the country to catch up with modernity in crime commitment and ensure adequate fraud control and punishment for offenders at all levels and sectors of the economy. Employees should be rewarded for longevity in organisation without any fraud or dishonest cases. There should be effective protection of staff (whistle blowers) who report fraudulent activities in the work place.

References

Akintoye I. R. (2008). Sensitivity of performance to capital structure. *European Journal of Social Sciences, 7* (1), 223

Beccaria, C. (1764). *On crimes and punishments*. Philadelphia: Philip H. Nicklin.

Bentham, J. (1789). *An introduction to the principles of morals and legislation.* New York: Macmillan.

Chiezey, U., & Onu, A. J. C. (2013). Impact of fraud and fraudulent practices on the performance of banks in Nigeria, *British Journal of Arts and Social Sciences,* 13, 12- 28.

Clemency, J. (2002). Corporate fraud: Where should the buck really stop? *American Bankruptcy Institute Journal 2,* November, 2 - 4.

Cressey, D. R. (1993). *Other people money*. Glencoe, IL: Free press

Deloof M. (2003). Does working capital management affect profitability of Belgian firms? *Journal of Business & Accounting* 30, 3-4.

Dong H.P. & Su J. (2010). The relationship between working capital management and profitability: a Vietnam case, I*nternational Research Journal of Finance and Economics*, issue 49, 4 - 15

Felson, M. & Clarke, R. V. (1998). Opportunity makes the thief. *Police Research Series, Paper 98*. Policing and Reducing Crime Unit, Research, Development and Statistics Directorate. London: Home Office. Retrieved from www.homeoffice.gov.uk/rds/prgpdfs /fprs98.pdf]

Gates, T. and Jacob, K. (2009), "Payments fraud: perception versus reality – a conference summary", Economic Perspectives, Vol. 33 No. 1, pp. 7-15.

Hamilton, D. I., & Gabriel, J. M. O. (2012). Dimensions of fraud in Nigeria quoted firms, *American Journal of Social and Management Sciences 3* (3), 112 – 120.

Hollinger, R. C., & Clark, J. P. (1983). *Theft by employees.* Lexington, MA: Lexington Books

Hollinger, R. C., & Davis, J. L. (2006). Employee theft and staff dishonesty. In G. Martin (Ed.), *The handbook of security*, New York: Palgrave Macmillan, 203 -223

Idolor, E. J. (2010). Bank frauds in Nigeria: Understanding causes, effects and possible remedies, *African Journal of Accounting, Economics, Finance and banking Research 6* (6), 62 - 80

Ijeoma, N., & Aronu, C. O. (2012). The impact of fraud management on organisational survival in Nigeria, *American Journal of Economics 3* (6), 268 – 272.

Kankpang, A. K. (2011). Employee fraud risk management strategies in the civil service: A study of Cross River State Civil Service, Unpublished M.Sc. Theses in the Department of Accounting, University of Calabar, Nigeria.

Kochanova, A. (2012). The impact of bribery on firm performance: Evidence from Central and Eastern European countries, *working paper series* (ISSN 1211 – 3298).

Kurant, P. (2014). Corporate fraud and its consequences: An empirical study, *FEP Economia Egestao,* Retrieved from 120417013@fep.up.pt

Moorthy, M. K., Ng, F. C., Kumar, M., Yew, K. & Suat L. (2013). Employees' theft behaviour: a study in large scale retail organisations in Kuala Lumpur, *Proceeding of 2013 International Conference on Technology Innovation and Industrial Management, 29 -31 May, 2013,* Phuket, Thailand

Narware P.C. (2010). Working capital management: The effect of market valuation and profitability in Malaysia, *International Journal of Business and Management, 5*, issue 11-12, 342 - 356

Nia, S. (2015). Financial ratios between fraudulent and non-fraudulent firms: Evidence from Tehran Stock Exchange, *Journal of Accounting and Taxation 7* (3), 38 – 44.

Nwankwo, G. O. (1991). *Bank management.* Lagos: Landmark Publishers.

Okoye, E. I., & Gbegi, D. O. (2013). An evaluation of the effects of fraud and related financial crimes on the Nigerian economy, *Kuwait Chapter of Arabian Journal of Business and Management Review 2* (7), 81 - 91

Padachi K. (2006). Trends in working capital management and its impact on firms' performance: An analysis of Mauritian small manufacturing firms, *International Review of Business Research Papers, 2*,(2),45 -58

Singh J. P., & Pandey S., (2008). Impact of working capital management in the profitability of Hindalco Industries Limited. *Icfai University Journal of Financial Economics, 6* (4), 62-69

Wells, J. T. (2007). *Corporate fraud handbook: Prevention and detection*. (2nd ed.). New Jersey: John Wiley & Sons, Inc.