Evaluation of Economic Financial Crimes on Business Entities Performance In Nigeria

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ABSTRACT
The study determined the effect of economic financial crimes on business entities performance in Nigeria. The specific objectives of this study are to: identify the Factors motivating business crime in Nigeria and determine the causes of economic crime and concepts of prevention in Nigeria. Survey research design was adopted and the formulated hypotheses were tested with Chi-Square statistical tool with aid of SPSS version 20.0. From the results, the study revealed that the factors motivating business crime affect business performance in Nigeria. It was also that those economic crimes affect business performance in Nigeria. It recommended that the control units of the company should be more filled with qualified and competent staff in order to perform their functions effectively.

Keywords: business entities, financial crimes, fraud, criminal personality

INTRODUCTION
Fraud is the number one enemy of the business world. No entity or work is immune from it (Nwankwo, 1991). The fear is now widespread that the increasing wave of fraud in the recent years, if not prevented might pose certain threats to economy and political stability and the survival of financial institution and the performance of the industry as a whole. Nwachukwu (1995) wrote that more money is stolen in or through banks by means of fraud committed with pen than through other means. Fraud may take the form of: theft of inventory assets, misuse of expense account, secret commission and bribery, false invoicing, electronic and telecommunication fraud, unauthorized use of information, cheque forgery, cheque clone, false financial statements, and so on, but whichever form it takes, the fundamental point is that the banking industry falls victim to fraudulent acts suffers and bears the brunt (Olaoye & Dada, 2014).

According to Oseni (2006) the incessant frauds in the banking industry are getting to a level at which many stakeholders in the industry are losing their trust and confidence in the industry. It is asserted by Adeyemo (2012) that fraud in the bank is possible with corroboration of an insider. The banks are expected to ensure that they carry out their responsibilities with sincerity of purpose which is devoid of fraudulent practices. This is relevant if the banking sector is to gain public trust and goodwill. Fraud in its effect reduces organizational assets and increases its liabilities.

Corporate crime based on the cases reported each year is not new in Nigeria and, the rate is on the upward trends. In Nigeria, white-collar crime has caused losses of exceeding RM3. 93 billion from the year 1999 until 2002, with approximately 6,000 cases being reported yearly (Clarence, 2005). Additionally, 36% of companies have suffered a total losses between RM10,001 to RM100,000 to fraudulent conduct between January 2003 to December 2004, while 17% have suffered losses of greater than RM1 million (KPMG, 2005). On the other hand, assessing the company’s risk to corporate crime is getting more complicated particularly when the transactions are performed electronically and operations are being done geographically separated from each other (Seetharaman, 2004). Therefore, it is anticipated that the corporate crime will become a serious corporate problem and the loss wrecked by economic crime goes exceedingly direct monetary loss. The purpose of this study is to investigate the effects of announcement of corporate crime on firm stock’s performance. Evidence from past literature argues that when the members of top management of a company are charged for misappropriation of fund, insider trading,
financial manipulation, or corruption, such news will receive a wide coverage by the Medias. However, to what extent such announcement will influence the performance of the company’s share price in Nigeria is still subject to further empirical testing. As the Malaysian capital market continues to experience rapid development, the study of the effect of crime is highly relevant. At the same time, much of the discussions on the effect of firm performance have not considered corporate crime as a critical factor that would cause firm to become less competitive. It is hoped that this study will fill the gap by providing empirical evidence that explains the effects of such crime on firm’s business performance.

1.2 Statement of Problem
Fraud in businesses shakes the foundation and credibility of most business entities in Nigeria causing some of the companies to be distressed. Therefore, the problem is how these trends of fraudulent practices can be minimized. Upon these backdrops, this study tends to resolve the problems to address the worrisome reduction in the performance level of Nigerian business entities due to fraudulent activities. Some studies showed that the amounts involved in fraud cases, amount lost to fraud and number of staffs involved in fraud have a negative and significant influence on Nigerian businesses. The study is faced with challenges to uncover the problem of how fraud affect the performance of Nigerian industries and economy in general considering the positive or negative effect based on the present nature of business in Nigeria. Hence, the implication of this fraud does not actually established; the previous findings were uncertain following the mixed results. Besides, the above studies seem to have dwelt largely on perpetrators of frauds and their modus operandi. While it is generally believed that fraud depletes the quantum of cash deposits at the disposal of business in Nigeria, there has not been any current evidence to that effect. Studies like; Funso and Temitayo (2018); Inaya and Isoto (2016) showed that the amounts involved in fraud cases, amount lost to fraud and number of staffs involved in fraud have a negative and significant influence on the deposit of banks in Nigeria. While Enofe, Abilogun, Omoolorun and Ekiuho (2017); Taiwo, Muftau and Damilola (2017); Osuala, Opara and Okoro (2016); Kanu and Okorafor (2013) found that the number of staff involved in fraud has a significantly positive impact on the return on asset.

However, Idowu (2009) revealed that, so many factors contributed to the incidence of frauds in banks amongst which are poor management of policies and procedures, inadequate working conditions. Though the result of these prior studies were uncertain, hence non-established the implication of these financial crime on Nigerian business entities, this however, form the significant of this study and necessitates the need to investigate the implication of financial/economic fraud on of business entities in Nigeria.

1.3 Objectives of the study
The main objective of this study is to determine the effect of economic crime on business entities performance in Nigeria. The specific objectives of this study are:
1. To identify the Factors motivating business crime in Nigeria.
2. To determine the causes of economic crime and concepts of prevention in Nigeria.

1.4 Research Questions
1. To what extent has the factors motivating business crime affect business performance in Nigeria?
2. How do the causes of economic crime affect business performance in Nigeria?

1.5 Research Hypotheses

1.6 Scope of the Study
The Study covered Innoson group of company Nigerian Ltd, Enugu. The study thus will look into the effect determine the effect of economic crime on business entities performance in Nigeria.
REVIEW OF RELATED LITERATURE

2.1 Conceptual Framework

2.1.1 Fraud

The term ‘Fraud’ has been defined in different ways by different scholars and authors. According to the Collins English Dictionary, fraud can be defined as: "deceit, trickery, sharp practice, or breach of confidence, perpetrated for profit or to gain some unfair or dishonest advantage". Also, the Association of Certified Fraud Examiners defines fraud as “any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent on the application of threat of violence or of physical force” (Olaoye & Dada, 2014). Frauds are perpetrated by individuals and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage. Awe (2005) defined fraud as the intentional alteration of records accompanied by the defalcation of asset in order to deceive certain group of people for the benefit of the perpetrator. Although not all fraud are accompanied by the defalcation of asset but majority of frauds perpetrated by low and middle officers normally involve the defalcation of asset.

The term “fraud” has its legal definition which varies from country to country (Akelola, 2012). For instance, in 1888 the U.S. Supreme Court inferred that fraud occurs when a defendant knowingly makes representation in regard to a material fact that is false and the complainant acts on this representation reasonably believing it to be true (Funso, & Temitayo, 2018). In the UK, the Fraud Act (2006) defines fraud as being committed in three ways; by false representation, by failing to disclose information, and by abuse of position. Meanwhile as observed by the Federal Bureau of Investigation (FBI) in the United States, fraud is an illegal act which is characterized by deceit, concealment, or violation of trust and which does not necessarily depend upon the application or threat of physical force or violence. Silverstone, Sheetz, Pedneaul and Rudewicz, (2012) stated that FBI definition of fraud can be narrowed down to lying, stealing and cheating which resonate with today’s fraud schemes in banks that are technically sophisticated. In Nigeria, fraud is the act of obtaining the assets and/or properties of another party by false pretense. It is considered as a crime and also a civil law violation anywhere in the country. These definitions show the varying views about what constitutes fraud. Fraud can thus, be classified into three; Primary groups: fraud that has been exposed and is publicly known; fraud that has been discovered by organizations but not made public yet; and fraud that has not been detected (Silverstone & Davia, 2005). Corporate crime can be defined as offences that involve misappropriate behaviors such as submission of false statement to Securities Commission or Bursa Malaysia, criminal breach of trust, abuse of one’s power to gain personal benefit, market manipulation, and any negligence in complying with Securities Commission.

2.1.2 Risks and Damage

Economic crime in companies poses an enormous challenge to today’s economy and society. The emerging global and networked economy increases the scope and scale of risks that organizations face from economic crime. A number of surveys have shown the most frequent economic crimes against businesses are, above all, fraud, asset misappropriation, false accounting, bribery and corruption as well as cyber crime and insider trading; less common are industrial espionage and money laundering (Price Waterhouse Coopers 2003, 8f.; KPMG 1999).

The latest survey in 2003 shows that, over the last two years, 34% of all polled companies in Western Europe had been victims of an economic crime with an average loss of around two million Euros (PWC 2003, 12f.). The amount of undetected damage is probably up to five times as high. A study by KPMG in 1999 revealed that 57% of the companies surveyed suspected that economic crime costs them an unconfirmable amount of damage valued at less than 1 million DM, whereas 29% considered the unconfirmed losses to be up to 10 million DM. The Hermes study (1997) reported that one-third of the firms probably experienced this amount in a range of 41-60% and a further third as much as 61-80%.

Quite apart from direct financial loss, companies suffer intangible damage: loss of trust in business in general, as well as damage to the particular firm’s reputation, loss of management time, and damage to its business relationships.
Moreover, economic crime offences in a company threaten the morale of its employees and encourage imitation and “repeat players”. Many indicators lead one to believe that the risk posed by economic crime is growing. In our own study, carried out in 2001, 50% of the firms reported that the situation has deteriorated in recent years, whereas only 2% considered their companies to be less at risk (Bussmann, Werle 2003). Other studies, however, have revealed an even higher crime risk. The KPMG survey showed that nearly 90% of respondents think that this form of crime will continue to grow (KPMG 1999).

2.1.3 Factors motivating business crime

The scope of this report is the discussion of crimes committed by or on behalf of legitimate businesses. Clearly there are risks to businesses in allowing their employees or managers to engage in illegal activity on their behalf, in addition to the normal human aversion to seriously bad behaviour committed by themselves or others. It is in the enlightened and long-term best interest of companies to act both legally and ethically. However, the pressures to commit crimes can be strong. These include:

- Inadvertent criminality: many companies seek commercial advantage by operating close to the boundaries of the law. It is generally in the public interest for commerce to be conducted with vigour and enthusiasm, and thus it should not be needlessly constricted nor should the impression be given that governmental authorities will take arbitrary action against activities which are being conducted within the bounds of the law. However, there may be occasions when businesses stray beyond the boundaries into criminal activity because of a misunderstanding of where those boundaries lie, a reluctance to spend time finding out, or because complexities and international variations make it difficult to do so.

- Target or performance pressure: pressure on employees or managers to perform well, or achieve targets, may lead them to operate illegally, in order to achieve results, or to appear to do so. This can happen at every level, from salesmen offering bribes to buyers in other firms to achieve greater sales, to the boards of major companies encouraging or being complicit in false accounting in order to mislead financial markets and thus achieve a financing advantage.

- Imminent collapse: performance pressure can become particularly acute when a business is in danger of insolvency and management and employees become increasingly desperate and likely to take any possible action (including illegal ones) in an effort to save a business, and their own future with it. The rate at which corporate fraud is committed, as well as the rate at which it is discovered, grow quickly during economic downturns.

- A poor control or ethical environment: as with any other area of life, criminal activity will be more likely to take place in a business environment where the perpetrators think that their behaviour will be condoned or that they can get away with it without repercussions. Not all such crimes will be committed by individuals for their own direct advantage – some will also be committed for the benefit of a company, and even in the belief that the perpetrators are doing the right thing.

2.1.4 Crime and other types of misbehaviour

Harsh conditions and strong motivating factors do not make criminality any more acceptable than it would otherwise be. Corporates wishing to prevent such behaviours would do well to introduce a strong and consistent tone from the top and an effective system of internal control. The best interests of a company will be served, and better consistency achieved, if the controls aim not just at simple compliance with the law but also with a principles-based ethical policy, aiming to introduce high standards of integrity throughout the organization, its service providers and agents. A number of discussions on the importance of ethical policies and their implementation are available, including ICAEW’s.

Identifying Crime

In theory, and ideally in practice, crime is that category of misbehaviour that the state considers so serious and undesirable that investigatory and punitive action against it is warranted (and carried out) by the state itself, whether or not separate action is also taken by the victim or any other party directly affected.

The relationships between crime and different types of legal and ethical obligation can be complex, though in a system where the ultimate objective is fairness between individuals, corporate entities and the state, all will have broadly consistent desired outcomes.
Disputes between different parties (individual, corporate or state) which cannot be resolved by discussion between the parties themselves may be dealt with judicially, in civil or commercial courts, or by non-judicial means such as formal and mutually agreed arbitration or mediation. Where a dispute involves one party being the victim of a criminal offence by another, then separate actions may be taken by:

"the state in seeking justice and the rule of law; and the victim (or those acting for them) in seeking restitution ".

A criminal conviction of the offender will frequently strengthen the case of the victim for the receipt of compensatory damages. In many jurisdictions, there are also complex systems of regulation, governing a range of activities which are capable of causing particular harm to the economy, society, or various sections of it. Regulatory bodies can be formed, which are analogous to professional bodies in the way they can impose standards and discipline over a regulatory population of individuals and businesses. Typically, even for state regulation, regulatory infringements are punished by administrative means – in the UK described as civil rather than criminal law. However, in some cases the most serious or persistent failure to comply with regulatory requirements can also be punished by criminal means.

**Crimes Which Are Not Enforced**

All but the most orderly of jurisdictions will have criminal offences which remain unrevealed and therefore still in force, but which are no longer enforced or even known about by the huge majority of the population which is in theory still bound by them. An extreme example would be that until a few decades ago, there was still a statute in force in Scotland which required every lord of that jurisdiction to hunt the she-wolf and her whelps at least three times a year. A once good public protection statute was pointless several hundred years after wolves had become extinct in Scotland and the nature and responsibilities of the aristocracy had very radically changed.

Less clear cut can be a casual approach to compliance with written law, whereby both the population to which the law applies, and the authorities which are there to enforce it, have a mutual understanding that what is actually required is something very different to what is laid down in statute. So, in some states, where tax inspectors anticipate that every tax return they receive is in some degree misstated, their performance may be judged by the degree to which they can negotiate an increase in the tax payable from the unrealistically low level which would be the logical result of the information they initially receive.

In many jurisdictions, also, the extent to which the criminal law is enforced depends to a large extent on whether police and other law enforcement authorities have sufficient resources to do their job, and the crime involves a policy priority (formal or informal) of their government. In the UK, for example, whether a known or suspected crime is prosecuted will depend both on whether the evidence available is strong enough that a conviction is likely to be achieved, and also whether a prosecution is considered to be in the "public interest ". Although clear statutory guidance is available on how the public interest should be interpreted, this still lends a measure of uncertainty as to how individual ‘criminal offences’ will be considered. In addition, police forces may decide themselves not to collect evidence or to lay criminal charges, so that the prosecution service is not in a position to make their own judgement on public interest grounds. On occasion, whether or not a criminal investigation is completed, and a criminal prosecution is made, will depend on the willingness of the victim to make a strong case for it to be done. Such inconsistencies and anomalies result in a number of problems including: costs and difficulties borne by those trying to comply with the full extent of their legal obligations when the consensus of the society concerned is that this is neither necessary nor desirable; the possibility that basically ethical businesses may leave themselves open to unexpected and arbitrary enforcement in areas where they believe that they are acting within acceptable cultural norms; and uncertainty affecting decisions at all levels, from government policy to business planning, because they are made against a fundamentally unclear and unstable background.
2.1.5 Impact of Criminal Charges

The Inefficiency of Economic Crime Law

It is easy to think that economic crime will be tackled best by criminal law through careful controls and
regular criminal charges. A recent study showed that about 50% of companies pursue a policy of
reporting all cases to the police. Reality, however, appears to be very different: Only a significantly small
number of cases actually do end up being reported to the authorities. Although people usually expect the
law on economic crime to be effective, reality must be viewed in a more sober light. Sensational reports
in the media on severe sentences distract us from the negative overall picture. New legislation has raised
great expectations but, nonetheless – doomed to a belly landing – was soon described as having a negative
impact worldwide (Bussmann 2003).

Much more important are the structural weaknesses in the economic criminal justice system that impede
the implementation of the relevant law – especially regarding difficult questions of positive law and proof
as well as insufficient resources in the justice system. The result is a high percentage of dropped
prosecutions, lengthy proceedings and often relatively mild punishments.

The Weak Deterrent Effect of Severe Punishment

What is clear, however, is that the deterrent effect of severe punishment is overestimated. More than 20
years of international research confirm that earlier views on the effectiveness of criminal law were grossly
overestimated. The deterrence myth has only been able to safeguard its position so strongly in politics, the
media and public opinion because of its apparent plausibility. Severe punishment does not deter – anything other than minor offences!

The reason is that ethical orientations are of greater importance. They filter out considerations based on
pure calculation. That crimes are committed depends less on pure cost-benefit calculations – like mild
sanctions and relevant opportunities – than, above all, on a lack of moral and legal restraint. Any potential
criminal has to overcome this moral hurdle before the advantages of the criminal act will be weighed
against the risks of detection and punishment.

Homo economics, the human being who always acts to bring about a personal advantage, is in the context
of crime, a myth. Most people do not commit crimes simply because they consider it to be wrong and
unacceptable. They generally do not even think about criminal options, and, as a result, they never come
to balance opportunities against risks.

Criminological studies on, for example, insurance fraud have shown that the threat of severe legal or even
social consequences is less powerful than the fact 4 6,7% PWC 2001, 19; Ernst & Young 2003, 25%.

2.1.6 Perception of Criminal Opportunities Morals & Values act as a Filter Subjective Detection

Risks

Risk of Crime

Therefore, the severity of the penalty is only of relative importance. At most, it can increase the
awareness of what is criminal in the population at large (Bussmann 2003). On the other hand, the
subjective feeling of being at risk of detection has a stronger deterrent effect. What matters primarily is
the reasons for moral justification and the subjective detection risk.

For these reasons, criminal charges are an overestimated strategy, whereas organizational vigilance and
awareness combined with the communication of ethical values is the most effective way to deter crime.

Risks and Disadvantages of Prosecution

In addition, businesses have only a limited interest in taking the initiative and prosecuting their own
managers for many reasons. Criminal charges are thus unnecessary to demonstrate that legal norms are
being enforced. They are only a last resort and only appropriate when the suspect denies all guilt. In many
cases, it is indeed scarcely advisable to prosecute a manager or employee, as this may expose a company
to a considerable series of risks.

A prosecution may lead to reputation damage but, in particular, to considerable discord within the
company due to official investigation activities. Furthermore, the company usually loses control over
criminal proceedings: in particular, the prosecution may involve persons beyond the firm itself, leading to
expanding circles of inquiries.
In the end, it is likely that prosecution will be dropped because of insufficient evidence and, at most, ends with the payment of caution money. As a result, it is rather unusual for the prosecution of a manager or an employee to be beneficial for the firm. It may make a good impression on the outside world as a sign of a strict policy, but it may also result in many new problems within the organization itself. Not surprisingly, only a minority of companies reported that they were satisfied with police investigations (Ernst & Young 2003). Nonetheless, there are effective alternatives. It is much better for the company to develop its own culture of internal investigation.

The alternatives are the:
1. Implementation of own guidelines for proceeding in suspicious cases,
2. Consultations with external lawyers and forensic investigation specialists
3. and recoveries from damage insurance.

In particular, almost 90% of the polled companies were satisfied with forensic investigations (Ernst & Young 2003).

However, a case cannot be passed over in silence: The company must discuss it and react, but, as already said before, the deterrent effects of criminal sanctions are overestimated.

In contrast, informal sanctions in a community have a higher “deterrent impact” than any criminal sanctions. In this particular context, it is often overlooked that, practically speaking, the management has the whole range of possibilities provided by civil and labour law at its disposal, with only imprisonment being left aside. Furthermore, such internal sanctions are generally more effective than criminal penalties, because reactions from colleagues who are directly involved trigger a highly beneficial shaming process (Braithwaite 1989; Braithwaite, 1998).

For these reasons, many companies are better advised to develop self-regulating concepts and guidelines for dealing with punishable damaging offences (Hofmann, 1997.).

2.1.7 Causes of Economic Crime and Concepts of Prevention

Impact of criminal personality

Surveys have shown that almost two-thirds of offenders were persons who worked for the company, many of them from the ranks of management (e.g. Ernst & Young 2003). Other studies have revealed that 53% of those responsible for economic crime were the managers of the firm itself, with 30% of such misdeeds attributed to other employees (Ernst & Young 2003).

Hence, the risk group needs to be sought within the organization rather than outside it.

Over 40% of companies reported that they check employees’ profiles in order to prevent criminality (PWC, 2003). White-collar offenders have been characterized by criminological research as risk seekers (Wheeler, 1990) or as very determined, strongly career-, success and publicity-oriented persons or psychologically extroverted personalities.

However, these are all characteristics of many successful managers as well. The criteria for management recruitment and development place great value on the characteristics of a “successful man”. Managers must be creative and able to work particularly flexibly, with the result that they possess personality traits that are advantageous not only for the legal conduct of their business but also for its illegal variant (Coleman 1998, 180). This shows the dilemma and also why businesses are particularly threatened by such crimes.

To sum up, the effect on personnel selection procedures is very limited, with white-collar criminals being, to a great extent, not detectable in terms of their prospective social behaviours because;
1. There are no criminal characteristics that serve as reliable indicators,
2. There is no typical economic crime offender,
3. The typical economic crime offender is socially unobtrusive.

Apart from clear indications, such as excessive debt, living beyond one’s means or previous criminal records, it is very difficult to find a way to predict the risk of criminal behaviour. There can be no doubt that the typical economic crime offender is the normal manager. Of course, this does not imply that the majority of managers are economic crime offenders or latent suspects.
Another aspect is far more important: If the company is a victim of crime committed internally, it is generally not advisable to seek a cause in the person concerned but rather to look for a failure of the system. I would therefore recommend a holistic approach to prevention that takes the firm as a whole into consideration.

**Impact of Opportunity Structures**

So what can companies themselves do about criminal prevention? Intensive controlling measures as recommended by a good number of consultancies may reduce criminal opportunities. These strategies comply with the core of criminological research results: “The opportunity creates the offender.” However, control measures necessarily lead to an increase in the complexity of the organization and, further, from a certain point onward, they induce an increasing climate of mistrust. Internal controls inevitably cause a loss of flexibility and transparency – and this in an organization whose strength relies precisely on its dynamism and rapid reaction capability (Bussmann, 2003). Moreover, control measures could even provoke offences, because they attract “risk seekers”.

From a management theory viewpoint, this can be called a control paradox. Increased awareness and a greater number of crime prevention measures lead to a better rate of detection – the first paradox effect – whereas, internal controls may also lead to an additional crime risk, which is the second paradox effect. The decisive issue lies in the impact of values. Criminological research has revealed that an acceptance of values and norms counteracts the attraction and seduction of criminal options; and, in many cases, opportunities are even not perceived. For these reasons, intensive controlling measures should be handled cautiously and with awareness. They do not provide a sufficient solution to our problems.

**Impact of Corporate Identity**

A further cause of criminal behaviour may be seen in a lack of social integration. Interestingly, corporate Identity is often brought into the discussion as an independent means of business crime prevention (see e.g. Neuberger 2002). Equivalent criminological theories to social bond theories also turn the question round, not asking why an individual turns to criminal activities, but rather why the majority of people do not. Such theories stress the importance of personal attachment to other individuals or institutions, and that their commitment to these institutions means that they try to comply with their expectations rather than risk their own social existence. Furthermore, involvement in the community concerned dampens criminal propensities. From this point of view, it follows that values and norms, in general described as beliefs, are well accepted.

From a criminological viewpoint, the concept of corporate identity represents an effective crime prevention strategy. An atmosphere of anonymity and distance within the organization, in contrast, increases the likelihood of criminal behaviour. Strong social and emotional identification with the firm tends to protect it from internal damage, just as shared values and beliefs do. It is undoubtedly plausible that “People who can identify with their organization do not damage it.” More precisely, the psychological barriers are higher.

Numerous social-psychological studies by the Equity Research Group all point in the same direction (Greenberg 1990; Marcus, 2000). One of the findings from psychological research in firms is a correlation between insufficient justification for pay cuts and an increase in theft from the company. Research on Procedural Justice confirms this: People consider how they are treated to be more important than what result they actually gain. “When people think about justice, what is most in their mind is their relationship with other people and with institutions.” (Lind 1994).

In respect to this concept of corporate identity, however, it should be recognized that its impact is considerably limited by personnel fluctuations. An increasing loss of loyalty to the company has, especially in the case of managers, long since been registered worldwide.

The second reservation arises from the identification of employees merely with their own company rather than with the economy as the whole: Attachment and commitment appear to be typically limited to one’s own firm (Neuberger 2002). Strategies for improving corporate identity are thus ineffective in preventing crime against other companies. This means that economic crime is viewed from a particular perspective of the company and not as a risk for businesses in general, even though the economy as a whole benefits
from the concept of business ethics. As a result, the danger of double moral standards cannot be
counteracted in this way, given that, for example, it does not affect corruption of outside organizations.
Moreover, a further restriction results from the fact that social bond theories as well as sociological and
 criminological research additionally require the acceptance of “beliefs” in the form of values and social
 norms. Therefore, once again, it is the communication and acceptance of ethical values and moral
 orientations that play the decisive preventive role.

2.1.8 The Impact of Values on Crime
Research on the Meaning of Values
Many surveys point to unsatisfactory organization structures in companies, such as insufficient controls,
lean management or pressure to perform, as well as increasing internationalization and technological
change, as suspected causes of economic crime. Further causes include a lack of identification with the
company on the part of employees, but also inadequate guidelines on business ethics (KPMG 1999; PWC
2003). Two-thirds of managers (67%, KPMG 1999) consider the main cause of economic crime within
their own company to be the erosion of social values.
This widely held view hits the nail on the head:
Crime and its development are seen as an indicator of the moral state of society. A moral maze is
emerging at the very centre of society. In particular, numerous criminological studies have shown
continuously that no other causes are of comparable significance – neither personal characteristics nor
criminal opportunities. People do not, in fact, behave according to calculations based simply on rational
choice. Nonetheless, particular values may favour criminal behaviour. The free market economy has itself
created those values that are responsible for the increase in economic crime. In his book “Crime as an
American way of life”, Daniel Bell (1953) pointed to the establishment of a culture of unrestricted and
rigid competition to which ideas of solidarity and consideration for others are foreign, and that, on the
contrary, propagates notions of Social Darwinism (statements like, “be number one, be smart, be clever,
don’t worry about others” etc.).
For these reasons, individual companies, which constitute the driving force of the economy, are
particularly at risk of falling victim to this orientation of values because they are exceptionally influential
in this area. It is precisely on the basis of insufficient acceptance of ethical categories that criminological
research has explained the misdoings of economic elites16. This is exactly the core of the problem.
Companies face the highest risk. In our own study, carried out last year in England and Germany,17 two
things became clear:
1. The higher their income, the more often that people report crimes against property. This means,
criminal motivation does not increase as a function of growing financial “need”, but with prosperity –
“Crime from greed rather than from need”.
2. At the same time, the more people favour the values of a strictly free market economy, the less they
necessarily feel bound to legal norms, tending instead towards cynicism about the law (statements like, “It
feels good to „bend“ the rules and get away with it.” Or „Sometimes you need to ignore the law and just do
what you want.“).
A further phenomenon comes into play here: Long-term studies comparing different generations show
that for the current generation, the validity of norms has typically undergone fragmentation and is
sensitive to the particular context in which they are applied.18 This means that norms are not applied and
accepted absolutely but in a differentiated way depending on the situation and context. The result, is an
increasing decline in the previous absolute value of moral or ethical considerations.
This fragmentation of the validity of norms cultivates a fertile ground for subcultural milieus in which
specific legal and moral norms are scarcely acknowledged any more. In our context, this development
means that what is clearly considered illegal in the world outside an organization may be considered quite
normal within the daily routines of a given company.
Moreover, our latest study was particularly able to show that the frequency of crimes against property
correlates very significantly with the support from social networks. The more people can rely on support
from other people in their social environment, be it in the form of acceptance or active help, the more
often they will commit the relevant crimes. It is therefore of the greatest importance to prevent such moral subcultures from taking root in a company.

**The Impact of Business Ethics**

For numerous reasons, the communication of values and norms is decisive in crime prevention. From a criminological and general social science viewpoint, business ethics are considered to be especially effective in this regard. It is therefore appropriate that companies have developed a growing awareness of the need to implement business ethics since the 1980s (Schlegelmilch, 1990, Ulrich, 1999). To sum up, business ethics
i. Stimulate communication and discussion about ethical limits,
ii. Sensitize for ethical values,
iii. Communicate legal limits,

Surveys have shown that one-half of American corporations consider such ethics programs to be effective in preventing crime. However, the potential of business ethics is not fully exploited when ethical guidelines only take abstract values into account like responsibility, integrity, compliance, sustainability, transparency, human rights, equal treatment, fairness or personal respect – as has been shown for many companies (Palazzo 2001). When the explicit norms of a criminal law are incorporated into the guidelines, the effectiveness of business ethics definitely increases. Only specific reference to norms of criminal law can counteract the observed fragmentation of values.

A further requirement is the implementation of business ethic guidelines into the everyday routines of a company if they are to become more than a “law in the books”. Norms, and that includes business ethics, can act as a channel to encourage communication about values and concrete legal limits. They need to be “referred to” constantly in all appropriate contexts – they need to be “lived” and become part of the corporate culture if they are to be incorporated into the management’s consciousness. The inclusion of such topics in management training programmes is especially effective, as required explicitly by the sentencing guidelines in the US.

**2.2 Theoretical Framework**

**2.2.1 The Fraud Triangle Theory**

Originally developed by in 1973 by Donald Cressey, a criminologist, he established that for fraud to occur there must be a reason. He related to three factors (pressure, opportunity, and rationalization) that must be present for an offense to take place. He ascertained that the perpetrator must formulate some morally acceptable idea to them before engaging in unethical behavior and if fraud perpetrators are given the opportunity they are most likely to commit fraud.

According to Cressey (1973), fraud is likely to occur if a combination of these three factors exists, that is Pressure (Motivation), Opportunity and rationalization. Trusted persons become trust violators when they conceive themselves as having a financial problem which is non-shareable, and are aware this problem can be secretly resolved by violation of the position of financial trust, and are able to apply to their own conduct in that situation which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property.

This study anchored on theory of fraud triangle, the theory stated the significant factors to commit fraud, which this study is trying to identify with its consequences in the Nigerian business entities, these are personal, employment stress, and external pressure, this happened to be the source of heat for the fire.

**Review of previous Studies**

There have been extensive studies conducted in many countries on fraud and its effect on bank performance. In a study conducted by Funso and Temitayo (2018) investigated the impact of fraud on the performance of deposit money banks in Nigeria between the periods from 1994 to 2015. In this study, bank deposit was specified as the dependent variable while the one-period lagged value of bank deposit, amount involved in reported fraud cases, amount lost to fraud and number of staffs involved in fraud
cases were used as independent variables. The Generalized Method of Moments (GMM) estimator was employed to analyze the data. This study showed that the amounts involved in fraud cases, amount lost to fraud and number of staffs involved in fraud have a negative and significant influence on the deposit of banks in Nigeria. Meanwhile, the past value of bank deposit has a positive and significant relationship with deposit of banks in Nigeria. It was recommended that bank management should not only strengthen their internal control system, but also utilize whistleblowing policy and other "speak-up" mechanisms, which have remained underused and underrated in the Nigerian financial sector, since greater dependence on the process-type fraud detection methods simply encourage complacency.

Enofe, Abilogun, Omoolorun and Elaiho (2017) examined the measures for fraud prevention in banking industry. Primary data were used for this study. This study was carried out by collecting data from 15 quoted commercial banks in Nigeria as at 31st December, 2015. The study utilized ordinary least square regression model. It was observed that strong internal control system, good corporate governance and compliance with banking ethics have positive and significant influence on fraud prevention in banking industry. This indicates that a commitment in the implementation of the variables of this study will reduce fraud, errors and misappropriations in the banking sector. The study recommended that banking institutions should establish and ensure effective and strict implementation of all these variables which is strong enough to prevent fraud, errors and misappropriations.

Taiwo, Muftau and Damilola (2017) examined the impact of fraud on bank performance in Nigerian banking industry using quarterly data spanning from 2000 to 2013. The study found out that the number of staff involved in fraud has a significantly positive impact on the return on asset while the fraud perpetrated and the amount involved in fraud perpetration both have negative impact on bank performance. The expected coefficient of the (VECM) result shows that there is a short run dynamic effect of the changes on the return on asset meaning that the variables adjusted to correct the imbalances in the fraudulent banking environment. Therefore, the study recommends that banks need to strengthen their internal control systems to be able to detect and prevent fraudulent activities and to protect its assets in the banking industry in Nigeria.

Kanu and Idume (2016) evaluated the insecure situation, bank fraud and their impact on bank performance. This evaluation requires the formulation of some testable hypotheses to confirm the impact of insecurity and fraud on bank performance. Multiple regression analysis was applied to determine if there is any significant relationship between the indicators of bank insecurity, fraud and the earnings before tax (the indicator of bank performance) of the Commercial banks in Nigeria. Data were obtained through secondary sources on the indicators of bank insecurity and fraud and the earnings before tax of Commercial banks in Nigeria for the period 1991 -2013 from Nigeria Deposit and Insurance Corporation’s Annual Report. The results of the study demonstrate an inverse relationship between Expected Losses on insecurity and Fraud (ELF), Number of Fraud Cases (NFC) and Number of Staff involved in Fraud Cases and earnings before tax of commercial banks in Nigeria. The results of the Granger causality test show a unit-directional causality from bank insecurity and fraud to commercial bank performance. However, the Volume (Amount) of bank insecurity, Fraud cases (VFC) and earnings of commercial banks in the parsimonious ECM show positive but significant.

Everline and Njenga (2016) sought to assess the effect of financial fraud on the financial performance of Commercial Banks in Kenya, a case of Nakuru Town. The objectives of this study were to carry out an assessment of the effects of frauds on Commercial Banks Performance. Specifically the study identified the effect of cheque fraud, the effect of fraudulent invoice and payments, examined the extent of money laundering and to identify the effect of fraudulent loans on the performance of Commercial Banks in Nakuru town. The study was grounded on Cressey’s Fraud Triangle Theory, Wolfe & Hermanson’s Fraud Diamond Theory, and Hollinger Clerk Study. This study adopted a descriptive research design. The population of interest in this study is Tier I banks in Nakuru County. A survey of 11, Tier 1 Banks was sufficient, and specifically targeted; management, tellers, Loans department, and Accounts opening section. Primary data for the study was collected using self-administered questionnaires, while secondary data was collected from annual reports at Central Bank of Kenya, Bank fraud investigation unit and audited financial reports of the banks. The data was analyzed using SPSS for
correlation analysis and regression analysis and was presented using figures and tables for ease of interpretation and elaboration.

Offiong, Udoka and Ibor (2016) Employing regression analysis to analyzed banking sector frauds in Nigeria from 1994 to 2013. The study found that the problems of Nigerian banking sector frauds require strong inter-agency collaboration, public education and cross border cooperation to accomplish sustainable success. The study recommended, among other, that existing regulatory guidelines on prevention of banking sector frauds, which are currently inadequately addressing detection and mitigation activities, should be strengthened and broadened to include forensic accounting/auditing to aid recovery of losses. Inaya and Isoto (2016) investigated the social impact of fraud on the Nigerian banking industry from 1990 to 2014. Using the ordinary least squares regression techniques, findings from the study showed that there was a negative social impact of fraud on the Nigerian banking industry.

Adeniyi (2016), the effect of forensic auditing and financial fraud in the Nigerian deposit money banks (DMBs) was examined by analyzing questionnaires using logistic regression analysis. The study found that forensic auditing has significant effect on financial fraud control in Nigerian (DMBs). A strong internal control system was recommended in the study to reduce the occurrence of fraud.

Osuala, Opara and Okoro (2016) examined the impact of fraud on the risk assets of commercial banks in Nigeria from 1990 to 2013, by employing Johansen's approach to co-integration and error correction model. They found that fraud significantly impact on commercial bank loans and advances in Nigeria. Inaya and Isito (2016) sought to investigate the social impact of fraud on the Nigerian banking industry. Secondary data of Fraud, Actual/Expected Loss and Return on Equity were obtained from Annual Reports and Accounts of Nigeria Deposit Insurance Corporation (NDIC) and the commercial banks during the period 1990-2014. The Ordinary Least Square (OLS) with its Best Linear Unbiased Estimate (BLUE) Property was used in analyzing the data via the Statistical Package for Social Sciences. The findings showed that banks in Nigeria are significantly thriving from, and may also be complicit in, the high rate of fraud in the country. They also discovered a negative social impact of fraud on the Nigerian banking industry. Based on the findings, we recommend that the EFCC and other agencies responsible with the task of tracking fraud in Nigeria should earnestly beam their searchlights on the banks, being possible conduit pipes for corrupt financial flows. Also, banks should be enjoined to take, and continue to take, a closer look at their own operations, declining to provide tolerant environments for fraud, among others.

Zuraidah, Mohd and Yusarina (2015) investigated fraud schemes in the banking institutions and the preventive measure to avoid severe financial loss. The study was conducted among management levels in Malaysia banking institutions, with a focus on branch managers and assistants’ managers who handles mortgage loan and hire purchase loan. The study found that perpetrators of fraud always have insight of the procedure and had taken advantage and capitalize on the process to penetrate and commit fraud. They concluded that it is impossible to achieve zero fraud risk in the banking institutions because fraudster will always find their ways, therefore that the fundamental functions of banking institutions’ staffs should be better emphasized to make their roles more visible in combating fraud.

In a study on the determinants of fraud measures in selected commercial banks in Nakuru Town of Kenya, Sang (2014) employed descriptive statistics with the use of questionnaire to collect data from 89 staff of selected commercial banks in the area of the study. The findings of the study revealed that the effectiveness of the internal control measures was undermined by non-adherence to dual control aspects and lack of sufficient time to undertake the various periodic tests diligently. Therefore, the study recommended the need to establish a comprehensive fraud mitigating measures against external frauds at the cashiers’ department, more enforcement of compliance with fraud mitigation methods, an increase in staff numbers in key operational areas and lifestyle audits among the bankers to detect fraud occurrences among bankers.

Wanjohi (2014) studied fraud in the banking industry in Kenya using Commercial Bank of Africa as a case study. By employing descriptive statistics with the use of online questionnaire to access a population of 68 employees representing 33% of the population, the study revealed that fraud in Commercial Bank of Africa was given a very high priority and the employee fraud was the most prominent fraud in the bank,
while third party fraud was second. It was recommended that banks should implement systems and structures that will reduce the opportunities for fraud within the banking environment.

Abdul-Rahman and khair-Anwar (2014) conducted a study on the effectiveness of fraud prevention and detection techniques in Malaysian Islamic banks. The study used primary data through the use of 146 questionnaires distributed to the managers of Islamic banks in Malaysia, the study found that the protection software is the most effective components of fraud protection techniques. Meanwhile, bank reconciliation, password protection and internal control review and improvement were recommended as the most effective techniques when assessing independently.

Oloye, and Dada (2014) assessed the nature, causes, effects, detection and prevention measure for bank frauds in Nigeria. The methodology employed for data collection is only primary source, which involved the use of questionnaires, in which 100 questionnaire were administered to the selected bank staff, out of which only 92 questionnaires were completed and returned. Also this study make use of Nigerian Deposit Insurance Corporation (NDIC) annual reports for data relating to total amount involved in frauds and forgeries, ten banks with the highest fraud cases and categories of bank staff involved in frauds and forgeries. The paper concludes that in the fight for the prevention of fraud, banks should have in place sound/effective internal control mechanism/checks and balances and provide adequate remuneration and reward for excellence and good conduct while the incessant and periodic downsizing of bank staffs should be discouraged. There should be steadfastness in punishing offenders and adoption of zero tolerance to corruption.

Ikhu-Omorege and Enimola (2014) examines the implications of financial crime on bank performance in Nigeria. After the analysis of the manifestations and implications of financial crime on bank performance, the paper concludes with recommendations in dealing with financial crime. Prominent of these recommendations include the need for the creation of the corruption ‘hotline’ where the public can call to complain or report fraud cases and the trials of the serving and non-serving political and public office-holders to serve as deterrents to others. There is also need to train and retrain management and staff of Nigerian banks in fraud prevention and control.

Chiezey and Onu (2013) ascertained the impact of fraud and fraudulent practices on bank performance in Nigeria from 2001 to 2011. The study used multiple regression analysis. They found that the percentage of mobilized funds lost to fraud was highest between 2001 and 2005 but which was significant reduced between 2006 and 2011. The study concluded that fraud and fraudulent activities inflict severe financial difficulties on banks and their customers.

Kanu and Okorafor (2013) did a work on the nature, extent and economic impact of fraud on bank deposit in Nigeria using descriptive and inference statistics. The study revealed that there is a positive significant relationship between bank deposit and fraud in Nigerian banking industry.

Kanu and Okorafor (2013) reviewed the various forms of fraudulent practices, and their impact on bank deposits in Nigeria. It sought to determine the relationship between.,"Amount of bank funds involved in fraud. Amount of bank funds lost to frau and the total deposit liabilities of insured money banks in Nigeria. It also sought to ascertain the fraud types that inflicted the highest amount of financial losses on bank deposits and the variants that bank deposits are more susceptible to. Data set was analyzed via two major approaches, namely the descriptive and inference statistics. While the inference statistics was employed to analyze the formulated hypothesis, other objectives of study were met with the use of descriptive statistics. The outcome of research reveals that the relationships are significant and that the models can be used for meaningful analysis and decision making. Again it was ascertained that fraudulent withdrawals are the most frequent fraud type. While bank deposits were found to be more susceptible to clearing fraud, miscellaneous frauds turned out to have inflicted the highest amount of financial losses on bank deposits in Nigeria. Based on the findings of this study, various aspects of banking operations that demand more attention were highlighted. Preventive as well as curative solutions were proffered. The essence is to sanitize and minimize the impact of fraud on bank deposits in Nigeria.

Ajala, Amuda and Arulogun (2013) examine the evaluation of internal control system as a preventive measure of fraud in Nigerian banking sector. Data was sourced from five commercial banks audited and published financial statements and were analyzed with the use of product moment correlation coefficient
and regression analysis. They find out that internal control system has significantly prevented and curbed frauds in Nigerian banks. They concluded that bad corporate governance was responsible for improper designing of internal control system which could have led to corporate performance of Nigerian banks.

RESEARCH METHODOLOGY
3.1 Research Design
The study adopted survey research design. Survey design involves the use of sample to obtain the opinion of large number of people. It is a research design that study the information gathered from a fraction or percentage of the population.
In fact, it is an efficient way of gathering data to help answer research questions; by selecting a sample of respondents from a population and administered them with a standardized questionnaire, as per the sample attached in the last page of this study.

3.2 Area of the Study
The area of this study is on Emene, Enugu State,. This area was chosen for the fact that no other study of this nature has been carried out in this area and since the study seeks the opinion of the targeted respondents to enable the researcher distribute the questionnaires.

3.3 Population of the Study
The population of the study consists of all the staff of Innoson Group of Company, Enugu. The element of the population comprises all the 127 staff of the company.

3.4 Sample Size and Sampling Techniques
Since the population size is not much, the researcher used all the population size for the study.

3.5 Nature and Source of Data Collection
To obtain reliable information that will help the researcher to ensure the effectiveness of the study in question, data was collected from the primary source. The researcher used questionnaire to obtain primary data.
The questionnaire was design in a structured form and made up of general questions of three (3) research questions to be answered hypothetically and was restricted with the responses made of Strongly Agree(SA) Agree(A) Undecided (UN) strongly Disagree (D) Strongly Disagreed (SD).

3.6 Method of data collection
There is a cover letter to the questionnaire addressed to the respondents, where they were assured that all information provided will be treated with utmost confidentiality and used for the purpose of the research work. The researcher visited the company with two assistants to administer the questionnaire to the respondents. The copies of the questionnaire distributed to the respondents were retrieved within 10 working days after administering it to the respondents.

3.7 Method of Data Analysis
Data collected for the study were analyzed by the researcher using frequency counts, mean score and standard deviation. The two hypotheses were tested using Chi square statistical tool with aid of SPSS version 20.0 at 5% level of significance.
Decision Rule:
Using SPSS, 5% is considered a normal significance level. The accept reject criterion was based on the computed Asymp. Sig. Reject the null hypothesis if p-value ≤ 0.05.

DATA PRESENTATION AND ANALYSIS
4.1 Data Distribution and Collection

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Questionnaires distributed</th>
<th>Questionnaires returned</th>
<th>Questionnaires unreturned</th>
<th>% of returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innoson Group, Enugu</td>
<td>127</td>
<td>94</td>
<td>33</td>
<td>77%</td>
</tr>
<tr>
<td>Total</td>
<td>127</td>
<td>94</td>
<td>33</td>
<td>77%</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2019
The above table shows that out of 96 copies of questionnaires distributed, 74 were completed and returned. This represents 77%.

4.2 Data Presentation

Table 4.2.1: Analysis of Data collected from the targeted respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Questionnaires</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The risks to businesses in allowing their employees or managers to engage in illegal activity that will affect business performance.</td>
<td>24</td>
<td>35</td>
<td>7</td>
<td>21</td>
<td>7</td>
<td>94</td>
</tr>
<tr>
<td>2</td>
<td>Some companies seek commercial advantage by operating close to the boundaries of the law.</td>
<td>22</td>
<td>43</td>
<td>8</td>
<td>15</td>
<td>6</td>
<td>94</td>
</tr>
<tr>
<td>3</td>
<td>Economic downturns facilitate the rate at which corporate fraud is committed, as well as the rate at which it is discovered.</td>
<td>20</td>
<td>35</td>
<td>5</td>
<td>24</td>
<td>0</td>
<td>84</td>
</tr>
<tr>
<td>4</td>
<td>Pressure on employees or managers to perform well, or achieve targets, may lead them to operate illegally, in order to achieve results</td>
<td>23</td>
<td>35</td>
<td>9</td>
<td>21</td>
<td>6</td>
<td>94</td>
</tr>
<tr>
<td>5</td>
<td>Criminal activity will be more likely to take place in a business environment where the perpetrators think that their behaviour will be condoned.</td>
<td>29</td>
<td>28</td>
<td>9</td>
<td>23</td>
<td>5</td>
<td>94</td>
</tr>
<tr>
<td>6</td>
<td>Performance pressure can become particularly acute when a business is in danger of insolvency and management and employees become increasingly desperate</td>
<td>20</td>
<td>36</td>
<td>8</td>
<td>26</td>
<td>4</td>
<td>94</td>
</tr>
<tr>
<td>7</td>
<td>Internal controls may also lead to an additional crime risk, which is the second paradox effect.</td>
<td>39</td>
<td>33</td>
<td>8</td>
<td>12</td>
<td>2</td>
<td>94</td>
</tr>
<tr>
<td>8</td>
<td>Criminal personality of some managers contributed to the business economic crime.</td>
<td>30</td>
<td>42</td>
<td>11</td>
<td>7</td>
<td>4</td>
<td>94</td>
</tr>
<tr>
<td>9</td>
<td>An atmosphere of anonymity and distance within the organization, in contrast, increases the likelihood of criminal behaviour.</td>
<td>20</td>
<td>41</td>
<td>8</td>
<td>19</td>
<td>6</td>
<td>94</td>
</tr>
</tbody>
</table>

Table 4.2.2: Analysis of Data collected from the targeted respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>QUESTIONNAIRES</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
<th>Tot</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>When people consider how they are treated to be more important than what result they actually gain.</td>
<td>31</td>
<td>33</td>
<td>3</td>
<td>18</td>
<td>9</td>
<td>94</td>
</tr>
<tr>
<td>11</td>
<td>The free market economy has itself created those values that are responsible for the increase in economic crime.</td>
<td>19</td>
<td>49</td>
<td>11</td>
<td>9</td>
<td>6</td>
<td>94</td>
</tr>
<tr>
<td>12</td>
<td>There is no other causes that are of comparable significance – neither personal characteristics nor criminal opportunities.</td>
<td>21</td>
<td>40</td>
<td>8</td>
<td>20</td>
<td>5</td>
<td>94</td>
</tr>
</tbody>
</table>

Source: Field survey, 2019

4.3 Test of Hypotheses (Null)

Hypothesis One


Chi-Square Test

Frequencies

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>64.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>66.00</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>67.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>73.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
Does not lead to accountability

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>24.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>27.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>28.00</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>30.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>lead to accountability</th>
<th>Does not lead to accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>.667²</td>
<td>.667²</td>
</tr>
<tr>
<td>Df</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.096</td>
<td>.096</td>
</tr>
</tbody>
</table>

a. 5 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 1.2.

Decision Rule:
Significance Level; α = 0.05
Rejection Region
Reject the null hypothesis if p-value ≤ 0.05.
Test Statistic

\[ Z = \sqrt{\text{Chi-Square}} = 0.667 = 1.334 \]
\[ P-value = 1/2 \times (\text{Asymp. Sig.}) = 1/2 \times 0.096 = 0.048 \] (one-tailed test p-value)

Conclusion
Since p-value = 0.048 < 0.05 = α, we reject the null hypothesis.
At the α = 0.05 level of significance, Based on this, the study rejects null hypothesis and accept the alternative hypothesis which state that the factors motivating business crime affect business performance in Nigeria.

Hypothesis Two

In testing this hypothesis, questions 7 to 12 that contain in tables 4.2.1 and 4.2.2 were used.

Enhances transparency

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.00</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>64.00</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>68.00</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>72.00</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Does not enhances transparency

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>14.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>15.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>25.00</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>27.00</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>Enhances Transparency</th>
<th>Does not enhance Transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>.667*</td>
<td>.667*</td>
</tr>
<tr>
<td>Df</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.088</td>
<td>.096</td>
</tr>
</tbody>
</table>

a. 4 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 1.5.
b. 5 cells (100.0%) have expected frequencies less than 5. The minimum expected cell frequency is 1.2.

**Decision:**

**Significance Level:** $\alpha = 0.05$

**Rejection Region**
Reject the null hypothesis if $p$-value $\leq 0.05$.

**Test Statistic**

$Z = \sqrt{\text{Chi-Square}} = 0.667 = 1.334$

$P$-value $= 1/2 (\text{Asymp. Sig.}) = 1/2 (.088) = 0.044$ (one-tailed test $p$-value)

**Conclusion**
Since $p$-value $= 0.044 < 0.05 = \alpha$, we reject the null hypothesis.
At the $\alpha = 0.05$ level of significance, Based on this, the study rejects null hypothesis and accept the alternative hypothesis which state that the adoption of International public sector accounting standards enhances transparency.

Based on this, the study rejects null hypothesis and accept the alternative hypothesis which state that the economic crime affect business performance in Nigeria.

**5.1 Summary of Findings**
Based on the analysis, the following findings were drawn:
1. The study revealed that the factors motivating business crime affects business performance in Nigeria.
2. Also, those economic crimes affect business performance in Nigeria.

**5.2 CONCLUSION**
On the basis of the research, we are driven to the conclusion that economic crime is, from an empirical viewpoint, quite normal and perhaps even showing a tendency to spread. Whereas the risk can be reduced, it cannot be eliminated entirely. Whereas economic crime is basically a normal phenomenon, corporate cultures with ineffective prevention strategies and bad crisis management are not. Every company can constantly be hit by such criminal activities, although, in itself, this is no indication of management failure.

Covering up or avoiding to talk about such cases is therefore a false policy, also because it is precisely the underlying taboo that cultivates the fertile ground for further criminal acts. Open communication about the problem is needed within the company, because this is the only way to achieve the necessary sensitization. This means that each and every criminal offence offers an opportunity to continue working on the company’s corporate identity and moral integrity.

**5.3 RECOMMENDATIONS**
Based on the findings, the researcher suggested as follows;

The control units of the company should more fill with the qualified and competent staff in order to perform their functions effectively.
Incessant downsizing of the staffs in the company should be lay to rest as this will allay fair of unknown from the workers. This will not only reduce the level of fraud but help the staffs to be more committed to the job.

REFERENCES


