
Determinants of Occupational Fraud amongst Small and Medium Scale Enterprises (SMEs) in Edo State, Nigeria

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ABSTRACT: *The main objective of the study was to assess the determinants of occupational fraud amongst SMEs in Edo State. Specifically, the study examined the relationship between owner factor; organizational factor; personal factor; and employee factor on occupational fraud amongst SMEs in Edo State. The study employed primary data with the use of questionnaire to elicit information from population of study using Guilford and Flruchter (1973) formula to determine sample size among SMEs key officials, and introduced path correlation and pooled Ordinary Least Square (OLS) regression to assess which among the determining indicators had positively or negatively influences occupational fraud amongst SMEs. The study revealed that owner factor had significant influence and positive relationship with occupational fraud. This implied that owner factor is a strong influencing factor on occupational frauds amongst SMEs in Edo State, while organizational factor showed a significant effect and positive relationship. The implication of this is that organizational factor is a critical enhancing factor of occupational fraud amongst SMEs in Edo State. Moreso, the study observed that personal factor had significant effect and positive relationship with occupational fraud. The implication of this is also that personal of the employee had strong determining influence, which further revealed that employee factor had no significant effect, but positive relationship. The finding implied that employee factor is a weak enhancing factor of occupational fraud amongst SMEs in Edo State. The study therefore, concludes that the following factors of occupational fraud such as owner, organizational, personal and employee has the ability of lessen occupational fraud amongst small and medium scale enterprise in Edo State if adequate policy is entrenched, rules and procedures are closely monitored and followed to the later. Hence, occupational frauds with emphasis to various factors that enhance them are cankers that could disruption operations and going concern of small businesses in Edo State and Nigeria in general.*

KEYWORDS: occupation, fraud, SMEs, owners, employees, organization, opportunity, factors, rationalization, personal factor

INTRODUCTION

Occupational fraud is a major component to business failure, a worldwide phenomenon which has affected countries and diverse sectors of economy. In the world over, many small and medium scale enterprises (SMEs) have close shop due to occupational fraud and fraudulent related menace. Fraud and fraudulent practice has become a severe problem of concern across the globe (Akinbowale, 2018; Nwaiwu & Aaron, 2018). Fraud losses pose serious challenges to many retails industries despite huge significant advances in fraud detection technologies (Iyodo, Agbaji & Abu, 2016). It has been identified as any act of deception carried out for the purpose of undeserved or unlawful advantage (Omokaro & Ikpere, 2019), and has been recognized as any form of deception practiced to cheat another to his own detriment or to the disadvantage of any other or to cause another loss, while the perpetrator has a clear knowledge of his deliberate falsehood, deception or advantage over the innocent or unsuspecting victim (Agwor, 2017). Fraudulent activities can ultimately result to collapse of business enterprise. Employee commission of fraud occurs because the opportunity exists. Occupational fraud can create room for bankruptcy and causes liquidation of a business enterprise.

SMEs in Nigeria are not an exception because they have been similarly marred by unbelievable wave of employee theft (Hamilton & Gabriel, 2012), which causes huge lost to the owners. This unethical behaviour has resulted in high rate of failure in businesses occasioned by adverse effect on the economy. Nigeria environment is also considered to be filled with news of fraud and fraudulent activities (Ogiriki & Ebimobowei, 2018). Though SMEs has been identified as an essential element for economic development in Nigeria, increasing wave of occupational fraud is causing lots havoc to its core projection (Karwai, 2002). Fraud against SMEs has serious financial implications. Employees in retail industry commit occupational fraud by intentionally ignoring shoplifters by looking other way so as to get cut, rewards or benefits from the crime according to Pierce & Snyder (2015), whereby perpetrator compensating the employee for his cooperation and not reporting. Moreover, occupational fraud is also being identified as the deliberate misuse of an employer's assets by an employee (Kulas, Melnerney, Rachel & Jadwinski, 2007), which includes asset misappropriation, cash theft, overbilling, sale theft, cash larceny, consumer fraud, tax fraud, theft of intellectual property, falsification, alteration, sales reimbursement, security theft, payroll, payoffs, inventory thefts, stealing, improper billing, skimming, forgery credit card theft to mentioned but few.

Unsatisfied employees indulge in fraud activities at workplace. Often time, employee theft or fraudster leverage on the kind of business structure through personal greed. Organized crime such as commercial bribery may involve several people or parties with different motives and group culture (Dorminey, Fleming, Kranacher & Riley, 2012; Umanhonlen, 2020), which behaviour possibly condoles, appraises or fails to undermine (Niehoff & Paul, 2000). Against this backdrop, theorists have identified opportunities for the commission of fraud and related acts based on the kind of business structure (Pinto, Carrie & Frits, 2008), weak workplace culture, culture that is

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built on shared attitudes, wrong philosophy, beliefs, customs, expectations, written and unwritten rules that have been developed over time and are considered valid (Business Dictionary, 2018), and conformity with managerial policies, rules and regulations. Psychologists, criminologist and sociologists have also concentrated on the individual with intention to establish the behaviour profiles of individuals pilfer merchandise or cash at occupational sites (Niehoff & Paul, 2000). A study conducted by Hollinger and Clark (2003) observed that occupational fraud was largely as a result of business circumstances and job dissatisfaction which was noted by Sauser, (2007) as behavioral defects, deprivation, personal predicaments, urge for retaliation to work, group cultures, disregarding theft coalesced with opportunity. However, this study was to assess the determinants of occupational fraud amongst SMEs in Edo State.

Statement of Research Problem

In Nigeria, there are unresolved issues with respect to the determinants of occupational fraud amongst SMEs which the study intends to resolve with peculiar aim to Edo State. This has given rise to debates in some quarters as to whether or not owner factor, organizational factor, personal factor and/or employee factor has contributed to occupational fraud amongst SMEs in Edo State (Sauser, 2007; Obuah, 2010; George, 2011; Ogbewere, 2015). It has been speculated in some quarters that SMEs are faced with diversities of problems due to frauds and fraud related menace; hence posed serious challenges to SMEs growth model, business continuity, survival and/or economic prospect (Ikpeze, 2013; Ekpulu, 2016). This has been criticized by extant literature as reason for the commission of fraud amongst SMEs, and thus blamed its consistent challenges on owner factor such as poor business practice, poor educational background, policy inconsistency, manpower shortage and lack of business and operational ideas, strategies, capacity building and utilization and so on (Babandi, 2019; Onaolapo & Adegbite, 2014).

It has also been observed from some other quarters that it is not because that business owner was unable to dictate the pace of business actions among other factors that led to occupational fraud amongst SMEs rather lack of organizational structure including conniver and amongst employees (Sauser, 2007; Obuah, 2010; Ikpeze, 2013; Yekini, Ohalehi, Oguchi & Abiola, 2017). Notable study that significantly argued on the subject matter noted that personal factors such as greed, anticipated future loss of job, job insecurity sensitivity, and quest for immediate need may have been responsible for the cause and effect of occupational fraud amongst SMEs (Ekpulu, 2016; Yekini, 2017). Other works done in this area anchored their premise on employee factor such as ingenuity, unskilled account staff, dishonesty, need fulfillment, coercion, peer group judgment and wrong philosophy assimilating other factors like poor business ideas and lack of an ideal organization environment as it well being made (Amankwah-Amoah, 2018; Ohachosim, Onwuchewa & Ifeanyi, 2012)..

National Security Adviser (NSA) in 2014, forecloses that annual reports of the NDIC between 2013 and 2014 shown fraud on e-payment platform of businesses in Nigeria increased by 183 (%) per cent (Iroegbu, 2016), while in 2014, Centre for Strategic and International Studies UK recounted that annual cost of cybercrime to Nigeria was at about 0.08 of Gross Domestic Product

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(GDP) representing about N 127 billion (Olubukola, 2017). Moreso, NDIC 2018 annual report added that a whopping sum of ₦15.15 billion was lost to fraudsters in 2018 as against ₦2.40 billion in 2016, and ₦2.37 billion in 2017 (Kanu & Nwadiubu, 2020). In that regard, Nigeria Deposit Insurance Corporation has also asserted that fraud perpetrator cut-across management and to the least staff such as cleaners, casual workers and employers including management who ought to be the watchdog of the organization constitutes a great proportion in the total number of persons involved in fraudulent cases (NDIC, 2016).

Consequently, United State Chamber of Commerce in 1995 showed that estimated annual cost of occupational fraud has exceeded \$ 100 billion. The sum of the largest bankruptcies in American in the 1990s with a high profile scandal at Enron, Tyco, and Worldcom (Toit, 2008) were due to occupational fraud which drawn increased attention to earnings manipulation activities. Six (6%) percent of companies in the United States lost revenue in 2002 as a result of occupational fraud (Zhang, Bartol, Ken, Pfarrer & Khanin, 2008), within a space of 6 year period, the federal bureau of investigation (FBI) received 207, 051 suspicious activity reports (SARs) for criminal activities related to cheque fraud (Iyodo *et al.*, 2016). As a consequent therefore, annual estimate due to fraud for various industries in the US include \$ 67 billion for Insurance; \$ 150 billion for Telecommunication; \$ 1.2 billion for Banks; \$ 40billion for Money laundering; \$ 5.7 billion for Internet and 1billion for Credit Card. Response on the KPMG 2004 survey, about 491 companies in Australia and New Zealand, half of the numbers were discovered to have encountered fraud costing \$ 457 million (Holtfreter, 2004; Uwuigbe *et al.*, 2019).

In South African, South African Police Service (SAPs), South African loss R 3.4 billion due to commercial fraud crimes in the first six months of 1999, and from 2003/2004, a total of 55,869 loses of commercial crime were reported, whereby 53,931 loses were in 2004/2005 according to Toit (2008). Estimated annual fraud losses for 2006, 2008, 2010 and 2012 are approximately \$ 654 billion, \$994 billion and 2.9 trillion (Murphy & Dacin, 2011), and 3.5 trillion in 2012 respectively about 5% annual revenues of organization which translates to \$ 3.7 Trillion (Association of Certified Examiners [ACFE], 2014). Therefore, the relevant of the above debates have not shown clear-cut-edge in this regard, hence the concern to assess the above subject matter. Against this backdrop, the research study sought to provide answer to the following questions: To what extent has owner factor influences occupational fraud amongst SMEs in Edo State? Extent to which has organizational factor affected occupational fraud amongst SMEs in Edo State? To what extent has personal factor affected occupational fraud amongst SMEs in Edo State? Extent to which has employee factor affected occupational fraud amongst SMEs in Edo State? 1.4 Research Hypotheses. The following null hypotheses (Ho) were formulated as support for testing the data collected for the study: There is no significant relationship between owner factor and occupational fraud amongst SMEs in Edo State; There is no significant relationship between organizational factor and occupational fraud amongst SMEs in Edo State; There is no significant relationship between personal factor and occupational fraud amongst SMEs in Edo State; and; There is no significant relationship between employee factor and occupational fraud amongst SMEs in Edo State.

Objectives of the Study

The main objective of the study was to assess the determinants of the occupational fraud amongst SMEs in Edo State.

The specific objectives were to:

1. examine the relationship between owner factor and occupational fraud amongst SMEs in Edo State;
2. investigate the relationship between organizational factor and occupational fraud amongst SMEs in Edo State;
3. assess the relationship between personal factor and occupational fraud amongst SMEs in Edo state; and
4. determine the relationship between employee factor and occupational fraud amongst SMEs in Edo State.

Scope of the Study

This research sought to assess the relationship between determinant factors of occupational fraud amongst SMEs in Edo State. The study employed primary data with the use of questionnaire to elicit information from the population of interest. Hence, Guilford and Flruchter (1973) formula to estimate sample size among SMEs key officials such as owners, supervisor, manager, sales representative, accountant, record assistant, foremen, inventory manager, market relations and top management employee from selected Local Government Council area covering entire three senatorial districts of Edo State starting from Edo South Senatorial District such as Oredo with headquarters in (Benin City), Egor (Uselu) and Ikpoba-Okha (Idogbo); Edo Central Senatorial District: Esan West (Ekpoma), Esan North-East (Uromi/Uzea); and Edo North Senatorial District Etsako West (Auchi), Etsako East (Agenebode) using convenience sampling method to assess the determinants of occupational fraud amongst SMEs in Edo State. The study therefore proxied Occupational Fraud (OCPF) with Cash Larceny (CHLR), Skimming (SKMN), Billing Scheme (BILS), Inventory Theft (IVTF), Kickback and Stealing (KBAS), while SMEs (Determinant Indicators) proxies by owner factor (ONAF) Organizational Factor (OGZF) Personal Factor (PENF) Employee Factor (EMPF). The study covered amongst other things Pharmaceutical Business, Manufacturing Business, Petro or fuel Station Businesses, Departmental Stores, Multiple Purpose Shop, Supermarkets, Eatery, Maintenance Service Providers, Vehicle Sales Outlets, Self Employed Professional, Artisans and among others.

Conceptual Framework

Small and Medium Scale Enterprise in Nigeria

SMEs are drivers of economic development (Obi et al., 2018; Stefan, Mihai, Alexandra, & Liliana, 2020). According to Umar (1997), the concept of the small size firm is relative and it depends mainly on both the geographical location and nature of economic activity being performed. SMEs mainly depend on their buyers, suppliers, employees and resource providers without much optimally tuned value creation system slack (Hamid, 2020). Karadag (2015) opined that small and

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medium-sized companies are often viewed as being more innovative than larger firms and in developed countries they are considered to follow niche strategies while adopting high product quality, responsiveness to mass producers and flexibility. In Nigeria, SMEs have outnumbered other forms of businesses as it is found almost everywhere across the country. Nevertheless, SMEs operating in the local government area showed that owners practically set everything done by them without seeking consultation from professional or expert (Karadag, 2015). SMEs in order to safeguard its business prospects rewarding outcomes, business continuity and survival in the increasingly competitive environment tend to enhance their business operations capability and efficiency employed both risk and human resources (Karadag, 2015).

Against this backdrop, SMEs has been statutorily defined in Nigeria as a small company whose annual revenue is not more than N 120, 000, 000– One hundred and twenty million Naira or such amount fixed by the commission from time to time, or whose net asset value is not more than sixty million Naira (N 60, 000,000) or any amount fixed by the commission (Company and Allied Matters Act [CAMA], (2020), which without foreign member and where 51% of the share capitals of the company are owned by its directors. It has also defined by CAMA (2020) as small company as a private company limited by shares which has no foreign shareholders, its directors holds not less than 51% percent of its shares and which no members of his is a government or government agent or nominees. SMEs has also been classified by the Small and Medium Sized Development Agency of Nigeria (SMEDAN) as a micro enterprise business with less than 10 people with an annual turnover of less than N5, 000,000. 00; a small enterprise as a business with 10 – 49 people with an annual turnover of N5 to N49, 000,000.00; while a medium enterprise as a business with 50 – 199 people with an annual turnover of N50 to N 499, 000. 00 (SMEDAN, 2003).

On the other hand, Department of Business, Enterprise and Regulatory Reform Agency (BERR, 2009) has classified SMEs as Micro Firm: 0-9 employees; Small Firm: 0-49 employees; while Medium Firm: 50-249 employees; and Large Firm over 250 employees accordingly. The relative importance of SMEs has helped developed and emerging economies of the world to recognize its role and contributions to growth and development (Oladipupo & Ajape, 2013). SMEs are generally distinguished by their production nature, management arrangements, trading relationships, financial practices, and internal competence (Umanhonlen, Okoro-Okoro & Umanhonlen, 2018). Basil (2005) admitted that only about five to ten percent of young companies survive and grow to maturity in respective of other factors such as fraud, capital insufficiency, lack of focus, market research inadequacy, finished products over-concentration on one or two markets, absence of succession plan, inexperience, improper book keeping or absence of records, power supply irregularity, infrastructural inadequacies (water, roads, and so on), inability to separate business and family finances, absence of business strategy, difficulty in differentiating between revenue and profit, difficulty to purchase the right plant and machinery, inability to employ appropriate propelling staff and avoidance of cut-throat competition. Therefore, it has also been identified with lot more frauds amongst employees (Umanhonlen et al., 2018).

Occupational Fraud

Occupational fraud has been identified as a socially correlated phenomenon, a global menace to socio-economic liberalization. It has been seen as major drawback to socio-justice, political-dynamism and economic prosperity as well as growth and development. Against this backdrop, fraudulent activities in business enterprises according to Omokaro and Ikpere (2019) have been identified as one of the major threats to SMEs existence and killers of business enterprises in Nigeria. Financial crime against business enterprise has results to institutional shock, bankruptcy, failure and fall of potential output and great institutions (Umanhonlen, 2020). It has also been responsible to the loss of industrial capacity, employment opportunities, output and investment. Occupational fraud has led to economic deprivation, crises and saboteur in world economy in the recent past (Zhang *et al.*, 2008; Uwuigbe *et al.*, 2019). It is a major disruption to an ideal economic situation system. Fraud has been described by accounting standards reports as an intentional act that results in a material misstatement in financial statements that are the subject of an audit (AICPA, 2003). Therefore, there are two ways in which a material misstatement could occur with respect to fraud; thus through misappropriation of assets and fraudulent financial reporting.

According to Malphrus (2009), internet provides organization fraudsters with more opportunities to attack customers who are not physically present on the web to authenticate transactions. Nwairoegbu-Agbam *et al.* (2016) admitted that lack of organizational success and the inability of business organizations to achieve predetermined goals led to organizational failure. Fraud is unethical behavior which can be committed by individuals alone or groups of individuals working together in the same organization or with outside persons. These groups, according to Vikas, Tina & Pamela (2015) can be as small as two individuals hence lingered into the entire organizations or societies and perpetrated in a multitude of ways by different sets of perpetrators. Gary, Poh-Sun, Themin and Evelyn (2011) have said that fraud encompasses deceit, misrepresentation of the truth, concealment of material facts to gain some unfair advantage over another, and becoming an insurmountable threat to the world economy (Olayiwola, 2004). Fraud occurs due to someone or group of persons having full knowledge of material facts misrepresents such facts with the intention to gain something of value in money or properties. Black's Law Online Dictionary defined fraud as an act of international deception dishonesty perpetrated by one or more individuals generally for financial gains.

According to Oziegbe (2001), fraud referred to as an intentional distortion of financial statements or other records which are carried out to conceal the misappropriation of assets or otherwise for gain. Occupational fraud can result to loss of money, documents, properties, corporate identity, bankruptcy or business failure. It posits forgery, fake-identity, counterfeiting, falsification and perversion of truth. A loss as a result of fraudulent activities in an organization can be small in measure, may be carried out on daily basis, weekly or monthly, but may be divisive enough to climb down organization business activities or fortune in record times. Therefore, lack of organizational survival has results to failure characterized by negative indicators which are loss of legitimacy, loss of market share and loss of assets and properties and eventually liquidate (Hidayet, 2013). Iroegbu (2016) explained that it is fundamentally relevant to sustaining the continuing fight

Publication of the European Centre for Research Training and Development-UK against criminality in the online environment which is needed for the political, economic and social development, adding that frauds to organization hinder political, economic and social development of any nation. Agwor (2017) confirmed that the employee uses all means and various methods to conceal desire actions and by so doing lies are told, documents are appended, falsified, transactions recording are misrepresented, internal controls are abused.

Occupation fraud is very difficult to detect and as results fraud can hinder performance. It has also been observed to drastically reduce the amount of funds in business organization. The amount or total fraud amount is actual amount of money that is lost to fraud as a result of different fraudulent activities. Mawutor, Enofe, Embele, Ndu and Awodola (2019) have said that the recurring nature of fraud has hindered the effective performance of deposit Money banks. Oguda, Odhiambo & Byaruhanga (2015) added that fraud is any illegal act characterized by deceit, concealment, or violation of trust. Sunder (2015) agreed that an employee committing fraud is not making a mistake but deliberately circumventing the system, thus that the problem of fraud in the organization is not limited to any nation, economy, continent or environmental (Owolabi, 2010). Fraud can occur in both public and private sector (Aditya & Sandhya, 2016), and in short, anyone can be a perpetrator of fraud. The abuse of third party involvement in situations of fraud makes fraud more difficult to detect or to prevent even. One of the best ways by which an individual could better understands fraud is by talking directly with the folks that dealt with it on a regular basis.

ACFE (2007) noted that fraud can be intentional or deliberate acts to deprive another or property or money by deceptive or other unfair means, and classified fraud into eight categories namely; misrepresentation of material facts; concealment of material facts; corruption; illegal gratuity; extortion; conflict of interest; embezzlement and theft. Iyodo *et. al.* (2016) acknowledge that fraudulent transaction in organization such as banks can equally be classified according to fraud type, and these are in three broad categories as by flow, victims or by act. It is as an intentional deception by concealing or misrepresenting information that harms the financial interest of another person or persons and benefits the financial interest of the perpetrators. Moreso, there are three forms of organizational fraud among which are internal, external and combination of both internal and external (Rossouw, 2000). Internal fraud is a fraud made against an organization by a staff which is an insider. If the staff is not capable of starting and concluding the whole process such staff may select a team within the organization, whereas, external frauds are far reaching fraud perpetuated by outsiders. The reaches of the external fraudsters can be organized with those within or self-masterminded niche that come successful.

Meanwhile, the later form of fraud often has to do with collusion between the combinations of either the organization customer, staff of the firm or a combination of staff and customer or third parties (Ilaboya & Lodikero, 2017), hence, that the success rate of the combine thefts or intending fraudulent is higher but sometime outweigh the economy powers of the connivers. Ilaboya and Lodikero (2017) opined that the distressed banks in Nigeria today suffer a great deal from fraud and fraudulent activities. However, a survey conducted by KPMG in 2007 on profile of a fraudster found that eighty-nine (89%) percent of fraud committed against organization was committed by

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employees against their employers. Where, two-thirds (2/3) of the cases were members of top management, forty-seven (47%) percent needs primary motive behind action for fraud perpetuated and twenty-six (26%) Percent of the cases expose to opportunity. Experts have also noted that occupational fraud is a major saboteur to economy liberations, and poses serious threats to the integrity of legitimate business, institutional safety, property of private citizens and communities (Umanhonlen, 2020). Observers argued that the profile of financial offenders in business organization is extremely diversified and includes individuals who may be motivated by greed or ideology (Roberta, 2011; Umanhonlen, 2020). Against this backdrop, occupational fraud has been categorized as an employee theft, billing scheme, inventory theft, stealing, reimbursement, payroll and payoffs frauds, skimming and cash larceny and much more.

Owner Factor

Fraudulent activities committed amongst SMEs are eminently answerable through several factors, among which are by owner, organizational, personal and employee directions. Owner factor is a dominant feature of occupational success (Roberta, 2011). Owners contemplate ideas and supplied the necessary apparatus both human and material resources needed to start kick or grow a business (Arua & Uzuegbu, 2014). Poor owner's management of business policies can result to fraud, and may as well hamper business continuity, survival and promote nefarious activities amongst staffs. This makes employee feel frustrated in terms of poor remuneration and inadequate working condition and infect incites fraud (Idowu, 2009). As much so it do, organizational manage prevailing fraud and fraud related activities in order to create the competitive advantage needed for organizational success.

A major attribute of employee factor is collusion among organizational members. Lai (2002) noted in his econometric model that organizational members colluding for individual benefits at the cost of the organization. In that regard, owner has been identified as sole proprietor of a business concern and who is fully responsible for all obligations related to business fortune, formation, engagement, promotion including debt obligations. It is owner's dynamic responsibility to manage, conduct and supervised as require to judiciously use of the means available to him accomplish ends (Arua & Uzuegbu, 2014). According to Normah *et. al.* (2015), organizational learning with a proper amount of reward could enhance organizational effectiveness, having reward and proper disciplinary action policies may help to minimize the opportunity to commit financial fraud.

Personal Factor

Personal factor has been classified to mean the use of authority or personal position serving the organization in the capacity of a finance director, controller or bookkeeper and so on, in the organization hierarchy to commit fraudulent activities (Yekini et al., 2017). Personal factor present as a result of opportunity. According to Mawanza (2014), an individual make use of opportunity available to strike balance as created by poor management oversight, organizational structure and weak internal control. An individual will want to rationalized their position because the more trust placed in such an individual greater the opportunity that present to commit fraud. Therefore,

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personal factor can go undetected which resultant effects can be rampant (Mawanza, 2014). A study carried out by Hamilton and Gabriel (2012), observed that young individuals within 31 years to 40 years of age group were most engaged in fraudulent activities within businesses in Nigerian.

It follows therefore as aforementioned above that the complexity of occupational fraud has received attention in other climes as surface in many different forms. The success of an organization is a fundamental objective which includes one of the major reasons for organization effective and efficient control of its assets and financial resources (Nwairoegbu-Agbam, Nwuche & Anyanwu, 2016). Suffice to say that the delivery of financial accounts in the form of financial statements is highly valued by society because it imparts a sense of reliability and credibility (Normah, Zulaikha & Suhaily, 2015), and thus that effective fraud management strategy is relevant factors for business organizations to tactically positioned and manage their resources effectively, wherefore enhancing employees perception about the affair and wellbeing of the organization.

Employees Factor

Employees factor is also identified as those elements that make a staff indulge in theft. According to them, several factors that inclined him to pilfer from employers when feel their salaries were not commensurate with their tasks at their workplaces (Greenberge, 2002). Appelbaum, Cottin, Remy and Shapiro (2006) noted that employee will steal from employers to reinstate balance when they feel their inputs are not commensurate with their compensation. According to the criminal code (2004) sec 383 (1), stealing consists of the fraudulent taking by a person or conversion of anything capable of being stolen to his own personal use or the use of a third party, thus, by virtue of official position or employment has gained access to and dealt improperly with them (Ikpeze, 2013). Idolor (2010) admitted that employees' theft is a class of fraud that involves the illegal collection of monetary or non-monetary items of an entity. Sauser (2007) added that it is an illegal acquisition of an entity's property by the employee for personal benefits. Thus, theft is a genetic term for a number of crimes which amount to forgery.

A study conducted by Krippel, Henderson, Keene, Levi and Converse (2008) on employee theft found that employees who engaged more in theft were of the age group of 21 years old to 25 years old, 26 years old to 30 years of age, while the age group of about 60 years and above did not engage in theft activities. Forgery therefore is an uttering, a false making or material alteration with the intent to defraud or of any writing to the prejudice of another person's rights. The intent is to defraud, it is the very essence of the crime of forgery, hence lead to liquidation of business concern, and/or result to bankruptcy (Crain, Hopwood, Carl & George, 2015). A potential forger will provide fraudulent bills, orchestrate financial records as well as cut edge reporting fraudulent statement and back forwarding records. Accordingly, employees, payroll, payoffs, inventory thefts, improper billing, skimming, cash Larceny, forgery credit card, tax fraud and so on are various types and/or categories of occupational fraud (George, 2011). Inventory fraud is also regarded as employees' fraud. This is a situation where employee may steal inventory and supplies for personal use or sell the stolen items to outsiders at flea markets or garage sales. In another

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development, payroll fraud is charging excess overtime or adding ghost employees to the payroll. Ghost employee frauds involve putting someone on the payroll, a beneficiary who does not work for the victim's company or business organization (George, 2011).

This type of fraud is concealed in the records of an organization (Crain, Hopwood, Carl & George, 2015). In the payroll scheme, the fraudster over bills his or her total sum for such receipt or scheme. The fraudster falsified hours and salary, commission schemes, workers' compensation or claims. This scheme is known as falsification of personal or payroll records (Umanhonlen, 2020). Credit card fraud is another crime that is either committed by the customers of an organization or by businesses organization itself. It is a fraud whereby any person uses a credit card to defraud an issuer, person or organization to providing or cardholder to acquire money, goods, services of anything of value without the consent of the cardholder. Credit card fraud is a multimillion dollar business fraud which has the ability to hurts business trusts and the public interests (George, 2011). Most credit cards are controlled by organized crime group (Umanhonlen, 2020). Accordingly, employee would take up credit card on behalf of organization in recognition of the facts that his or her position in such enterprise manifests concealing opportunity to defraud issuer institution.

Employee can also use credit card defraud his employer. He will take advantage of the scheme to manipulate business process and mend away huge facility. Example of such fraud was the global credit card, the subprime financial crisis bubble, a credit card crunch that insulate into the world financial market and revenge more than a stragglng (\$ 1 Trillion) One trillion dollar in 2007 (Umanhonlen & Lawani, 2015), which as consequent of United States housing market bubble burst. Moreso, tax fraud constitutes a menace and great losses to organization, tax authorities and those saddled with the responsibilities of collecting taxes (Umanhonlen & Umanhonlen, 2020). Tax fraud is seen as the way by which an organzization adjust or manipulate figures to reduce tax payment to tax authority against business ethnics, rules and privilege governs business entities activities. It a crime against laws on hand to regulating business taxes behaviours and compliance. Tax frauds can results to business collapse, failure or closure. It is a scheme of charging personal expenses as business expenses, claiming false deductions on business income or taxable profits of the fraudulent organization.

It is an activity that occurred with the context of socio-economic interaction and has serious implication for the organization. It occurs when an individual or business entity willfully refuses to file in correct returns (Silverstone & Sheetz, 2007). According to Adebgbite, Oyebamiji and Oyedokun (2018), tax fraud is liken to occupational fraud, it is an intentionally falsification of information which presents fraudulent records in order to bypass, avoid or limit the amount of tax liability due to be paid to collecting organization. This kind of fraud manifest in two folds, it can affect the collecting organization where taxes met for collection are not remitted. It can damp anticipated projected revenue of such an organization for an accelerated growth. It can on the other hand led to business closure where it has been found that tax paying business organization violates tax laws by manipulating or adjusting tax records in order to reduce tax payment while culprit staff imprisonment (Silverstone & Sheetz, 2007).

Staff would file in incorrect holding, undesirable expenses to reduce tax burden or liability by unduly defrauding intending institution or employer (Umanhonlen & Umanhonlen, 2020). Tax fraud is another kind of fraud committed by employee and against tax collecting or paying business organization or institution. On the other hand, skimming is the act of diverting business receipts to one's own personal use. It is a scheme where cash is stolen from an organization before it is recorded on the organization books of records (Olivia, 2018). The theft of cash through larceny involves the theft of cash or currency on hand. Cash businesses are very susceptible to both skimming and embezzlement (George, 2011). Fraud skimmed or embezzled usually cannot be traced from business enterprise to the individuals. The fraudster can misuse, borrowed or stole inventory. Inventory in such categories is company computers, supplier vehicle, office equipment and security information to mention but few (Krippel et al., 2008). Skimming is a situation whereby cash is stolen by employees or others after it has already been recorded in the organization's accounting system. Cash larceny scheme is easier to detect than skimming schemes and are far less common (Crain et al., 2015).

Cash larceny means taking money before it even entered the company's accounting system or no entries recorded in the book (Olivia, 2018). It can take place in any circumstance in which an employee has access to cash. Cash larcenies are most successful when they involve relatively small amounts overextended periods of time which business organization often write the small missing amounts off as shorts or miscounts against the backdrop of calling it thefts. However, Crain et al., (2015) agreed that billing scheme involves theft or altering of business inventory receipts, documents or cheques. The cheque tempering is a situation whereby employee is either prepared a fraudulent cheque for his or her own benefits or intercepts a cheque intended for another person or entity and converted it for his or her own benefits. The fraudster in this scheme submits or alters an invoice that causes his or her employer to willingly issue a cheque or makes other type of payments. The perpetrator in a billing scheme does not have to undergo the risk of taking company cash or merchandise (Krippel et al., 2008). The support for the payment is fraudulent; the disbursement itself is facially valid. Against this backdrop, therefore that Marquita and Harris (2020) admitted that occupational fraud is a term used interchangeably with employee fraud which occurs in small businesses where preventative measures to prevent fraud do not exist.

Organizational Factor

Fraudulent financial reporting has showed that internal employee fraud are cases in which a single employee committed fraud by creating single false billing, schemes, misreporting costs or deceiving others within the organization. Two other interesting conceptions of fraud notice in a business are fraud perpetuated by customers and the demand to commit fraud by a supplier of the organization (Vikas *et al.*, 2015). Against this background, a well structure business eliminates weak internal control measures, reduces obsessions and completely lessens unethical behavior and theft. The type of organization structure define how effective, weak or expose it is to both internal and outside criminally elements or factors (Crain et al., 2015). A good business structure where rules are obey, board or staff are well-composed, activities falls into plan, measures are on the

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way, internal control would be over ride by criminally behaviour, and reduces any form of fraudulent activities, though may not be eliminated completely but minimum to an acceptable level (Vikas et al., 2015)..

Hidayet (2013) submitted that lack of organization success generally refer to as organizational failure. The ability or inability of business to achieve it predetermined goals must be seen from the part of business structure, therefore, lack of organization survival result to failure characterized by negative indicators such as loss of legitimacy, loss of market share, loss of assets, properties and eventually liquidate. Business organization that has good occupational goals structure, good internal check, quality control mechanism, organization activities are review on daily, monthly, quarterly or yearly with best practices that may find it difficult to fall prey to fraudster. Fraud in amongst businesses occurs especially to favour business entity or carried out on behalf of business to stay afloat or for employee benefit due to certain organizational culture. Managers maintaining a proper corporate culture along with effective policies and procedures for fraud risk assessment, prevention, detection and investigation help attaining organization goals, and organization against collaboration, coercion and any form of internal and external threats (Hidayet, 2013).

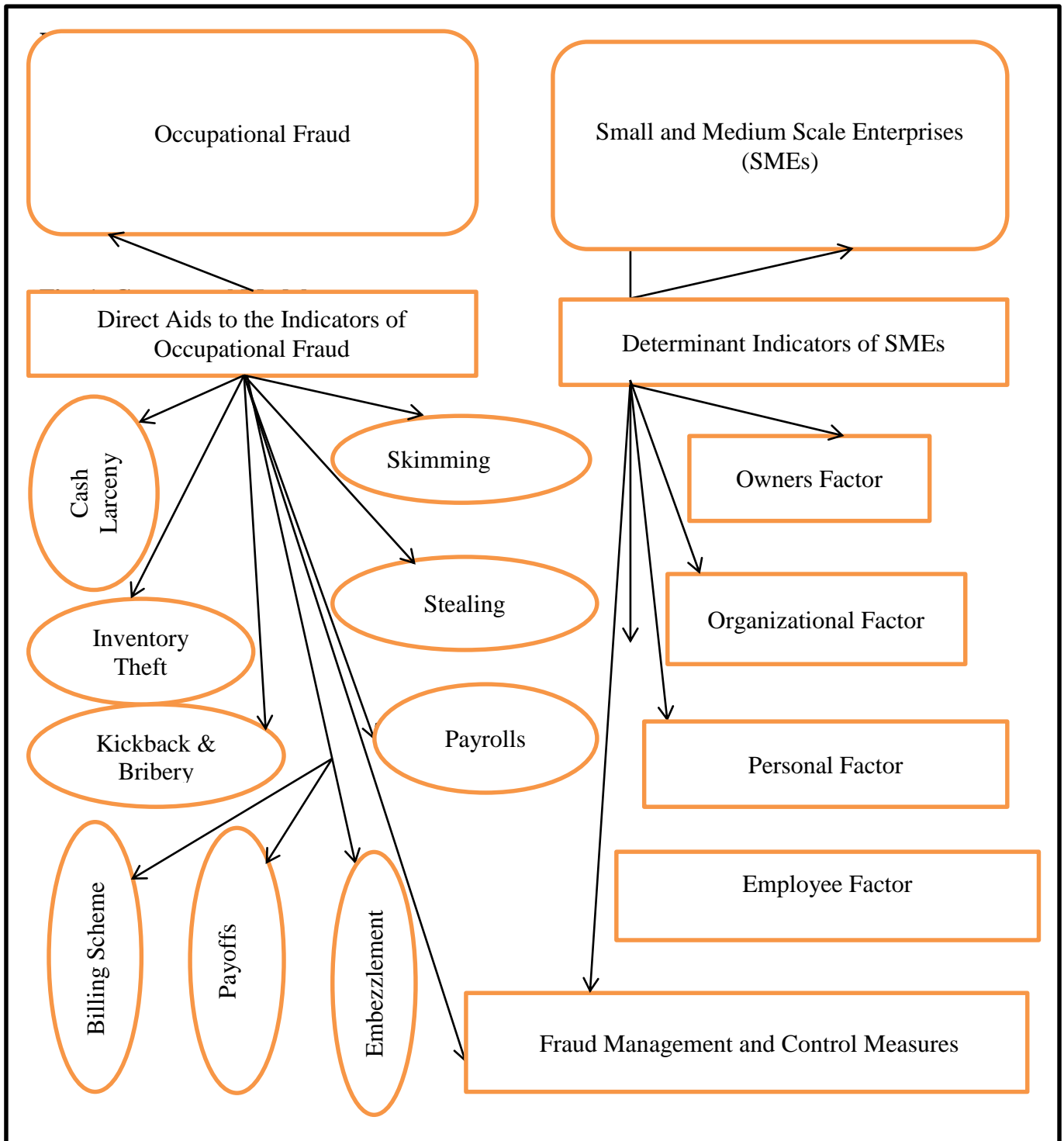
Koller (2008) sees culture as values that are shared by the people in a group and that tend to persist over time even when group membership changes. Culture can be extremely different to change because group members are often unaware of the many values that bind them together. According to Normah *et. al.* (2015), corporate culture itself is behaviour of humans within an organization and the meaning that people attach to these behaviours. Thus, cultures can exert a powerful effect on individuals, explicitly on a competitive environment. Furthermore, the influence may be even greater than factors that have been evaluated and discussed most often in the organization and business literature, strategy, organizational structure, management systems, financial analysis tools and leadership. Albrecht, Albrecht, Albrecht and Zimbelman (2011) noted that fourth fraud preventing element of the control environment is a clear organization structure. It follows that when everyone in an organization knows exactly what to do, and who has responsibility for each organization activity, fraud is less possible to occur or committed in such a situations.

Apparently, it is at ease to track missing assets, retain inventory, and difficult to embezzle without being noticed or caught, noted that strict accountability for job performance is critical for a good control environment (Hidayet, 2013). Organization that wants to live in the foreseeable future should foreknow the kind of structure suited for engagement, devoid of wrong application of ethics, engage qualified personnel with right knowledge about the business objectives and goals, ensue best practices and discourage despotism, tribalism, egocentric and religiosity in selections of its personnel (Albrecht et al., 2011; Arua & Uzuegbu, 2014). An organization that survives into unforeseeable future, leverage in perpetuity must have corporate culture, identity, mission statement and goals aligning with defined ethnical palace, corporate thinking. Its structure should synchronize detailed programmes that promote fairness and respect for value. On that basis, Ofor (2019) has said that organizational structure defines the functional sub-units of the various categories and relationships among themselves (Arua & Uzuegbu, 2014). Accordingly, Albrecht

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et al (2011) admitted that organization factor are therefore those factors that influence, dictate and responsible for the running of the business of organization on regular basis.

Against this backdrop, Ofor (2019) noted that the structure is presented in flow diagram which provided a clear picture of authority and functional relationship. To ensure this, compulsory organogram should be established where every unit or section is directed to prepare their organizational structure and submit to the head of department or accounting officer which is later consolidated into a larger organogram for the organization. Accordingly, informed all staff about the combined organization chart for every organ for reporting line, level of authority, and responsibilities. In her words, she noted that the organogram should be comprehensive and reflects all the staff in the organization. Moreso said that the structure must be promptly updated and displayed accordingly where there are changes due to appointment, deployments, promotions or disengagements as well as officially communicate established communication powers, lines of authorities, responsibilities to officers. Staff should know their line of actions, what they are authorized to sign as well as approval limit

**Conceptual Framework
Conceptual Model**



The above schematic diagram depicts the relationship that exists between variable associated with occupational fraud and small and medium scale enterprises (SMEs). The relationship between occupational fraud and its determinants amongst SMEs is symptomatic. The relationship is determined with many other factors which are, but may not limited in scope to this study. Therefore, this study has limited its scope to owner, organizational, personal and employee factors as well as evaluating their causes and effects. The above diagram shows that lacks of the rudiment for functional business expectation and tactical routine measure to checkmate actions by exploiting business success story, implementing internal check, inventory control, ordering order, issuing order, safe sale figures, cash receipts and so on bounds to results to business theft (Mawanza, 2014; Albrecht et. al, 2011). It follows therefore that when an owner of a business concern does not have adequate plans on the future desirability and/or kind of business template that outweigh all odd, and enriching enormous guidelines for actions, hence, external forces dictated the business tones, promoting ill business success as well as encourage nefarious behaviour amongst staffs as fraud is eminently promoted (Nwaze, 2009). As a consequent, business goal suffers through undesirability reimbursement, false claims, and billing as well as kickbacks.

Employee justifies action on false claim engendering confidence in wrongdoing by cleaving through all forms of thefts such as stealing, skimming, pilfering and ratifying same with cash larceny among others as normal way of life or lifestyle in that regard. The owner factor is a key success to business operations. It is one of the major and fundamental determinant factors of staff engaging in occupational fraud (Adebisi, 2009). Business owner may have knowledge of future desirability detailing and understanding of the peculiarity natures of business, and day to day running of same. But where the philosophy behind its vision statement is not well-thought out and defined, employee can take undue advantage and make fraud a routine exercise. The kind of a system and operation in place matters a lot in waging and/or ameliorating occupational fraud. Organizational factor also plays a key role in determine extends to which fraud pervaded in a business enterprise (Nwaze, 2009; Abdulahi, 2007).

Fraud happened when the organization structure is not well defined. Where goals are not aligning, confirm with action to meet set objectives, specific actions for directions is lacking as well as administrative competency, especially were targets are not commensurate with performance (Mawanza, 2014; Albrecht et. al., 2011). Programmes are not carefully aligned with new normal and/or harness quality decision as well as articulate future business desirability plans opportunity for commission of fraud will obviously alludes. Organizational characteristics are predominant factors securing and lessen fraud antidote for future variability and wellbeing of a business. According to Abdulahi (2007), a well-organized business eliminates human fatigue, and endangering functional system that foster rewarding good conducts, and tactically uncover incompetency and palpable distortive elements of fraud. A type of business with well-defined functions tends rewarding overall interests ensuring human, machine and other enabler navigate toward attainment of business objectives, as leverage on past success to access future desirability

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expectations ensuring that progressive results are motivated; staffs with exceptional character and/or good behavior are rewarded (Yekini et al., 2018).

On the other hand, sanctions are in place for laxity, and no sacred goat spared or any stone left unturned correcting fraudulent actions. Plains to checkmate sales, sales records and figures, mechanism for delivery system, accurate record keeping, receipts, and inventory records and so forth on routine basis. A well-structure and organize business enterprise defines purpose with objectives wedging its annals against personal factors. Personal factor arise as a result of greed, peer influence, poor attitude to work ethics details, uncertainty for job security and/or future loss of job. Personal factor emanating from family pressure antidotes, ratifying kind of lifestyle use to and seemingly attainable under disguise and relative circumstance to reward once pockets. Personal greed can lead to skimming, cash larceny, forgery, pilfering, billing and so on. Against this backdrop, a business that is built on false wall rewards falsehood, and greedy employees among workforce (Mawanza, 2014). Hence, employee factor will always not strive in an instance where the system imbibes doctrine necessarily and thus traverses all input into business success and fortune (Albrecht et. al., 2011; Adebisi, 2009; Abdulahi, 2007).

Employee factor can be regiment to business success, endemic factor to business continuity and survival and to look out for. It leads to distortion, extortion and/or closure to a business. This has a severe implication to business growth, a situation where staff connives, built synergize and pilfers on the success of a business. Employee theft is impossible without coercion among workforce at top, bottom echelon. The organize group orchestrates plans to pilfer and rewards their team loyalty circumventing laydown rules or procedures, adjusting to the details of the group members remoteness evidently from expected future gains (Umanhonlen, 2020). Employee theft is very crucial, and difficult to unravel easily because is within the organization. The individual syndicate capitalizes on the organization structure, ownership knowledge and personnel integrity, formations and at all level. Whenever owner factor presume lackadaisical attitude toward business operations with inadequate acquaintance to multifaceted skills, personal factor such as greed permeate, and employee factor such as stealing, billing scheme dominates organizational goals.

Contextual Review

The section highlighted works done within the purview of occupational fraud amongst SMEs. This section dwells on related works done within the scope of study other than works embedded only on the variable of interests, wherefore consider other works bounded within the scope of occupational fraud detailing relevant responses and causes of occupational fraud, red flag to fraud, perceived motive or pressure, perceived opportunity, rationalization, and the consequence of occupational fraud, as well as management control measures on occupational fraud.

Causes of Occupational Fraud

Fraud is a menace which has several indicators. According to Adebisi (2009), there are many causes of occupational fraud, depending on the enabling environment. Fraud can be social, technological, legal, personal and managerial in nature. It is on record that frauds that are attributes

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to personal causes are the most difficult to correct because of the involvement of habits which means “die hard”, this is because human personal traits are difficult to control. The social system can be modified or fizzled away, while technological type solution can be devised, the laws can be adjusted and corporate management including ethical standards in dealings and operating manual (Nwaze, 2009).

Robertson (2002) advances that management behavior is the main features behind occupational fraud, Managers are the primary influence in unethical decision-making and set the tone at the top, create what becomes the ethical norms by which pace are set and follows by others. However, there are several thousand indicators that can lead an individual, organization, government or states, local or municipal council or business concern involving in fraudulent activities. But in all, three key elements are essentially common to all. These are perceived pressure; perceived opportunity and rationalization; rationalization which is the ways to rationalize the fraud as acceptable. These three characteristics (causes of organization fraud) are known as fraud triangle as depicted below:

2.5.2 Fraud Triangle

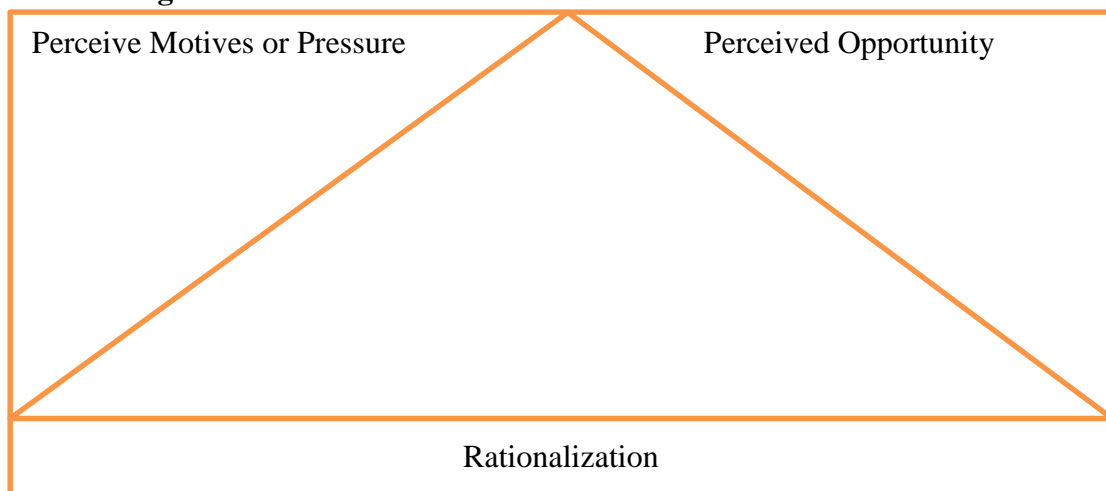


Fig. 2: Fraud Triangle

Sources: Adopted from Wells (1997): A Skeletal Model of Fraud Triangle

The fraud triangle theory was first postulated by Donald R. Cressey in 1950, an American Penologist, Sociologist and Criminologist. Donald has made many contributions to the study of criminology, the sociology of criminal law and white-collar crime. Donald assertion suggests that for fraud to occur three conditions must be present. These are financial pressures, opportunity or rationalization. These elements of organization fraud are present in various forms in the characteristics of a firm that engages in fraudulent activities, but the elements are not arranged in any particular order as discussed below. Cressey and Martin (2002) admitted that three factors are present in every situation of fraud, referencing motive or pressure as the need for committing fraud,

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hence, the need for money. They attributed that the second element to be rationalization. This factor, the duo called mindset. They noted that mindset of a fraudster justifies him to commit fraud. Furthermore, that the third indicator is opportunity. Accordingly, opportunity is the situation that enables fraud to occur often when internal control is weak or non-existence. Carmelita *et. al.* (2011) emphasized that in the presence of opportunity and motivation, a Chief Executive Officer (CEO) will engage in fraud only if the act is rationalized to create the perception that financial statement fraud is justified. However, noted that rationalization is the least observable element of the fraud triangle because is tied to the inner thoughts and emotions of the perpetuator, and thus, highlighted above diagram as follow:

Perceived Motive or Pressure

Pressure which is incentives or motives will make any individual, organization, state or state government, local or municipal or enterprise CEO do anything in any perceived circumstances or worse scenarios. Pressure is what causes a person to commit fraud. Pressure can come from a significant financial need or problem. Motive/incentive is pressures that a person experiences, and this could be psychotic, egocentric ideological or economic (Cressey & Martin, 2002). In their opinion this can be related to habit; personal prestige, believing that the cause is morally superior or to a need for money. The pressure can almost be anything in case of paying medical bills, expensive utility bills on tastes, addiction problem, divorce or an ongoing need threats.

Often, the individual or individuals believes rather than coming out for assistance or seek advice from a counselor, family member, friends or head of organization they belong to or special units rather committed fraud to cushion or smooth out basic need out of greed alone, believing that their problems must be solved in secret. Besides that, Mwanza (2014) noted that there may have been a signal for such individual in this circumstance that living or supporting a lifestyle beyond usual means at current salaries level is justifiable in retrospect. Consequently, common financial pressure associated with fraud and benefits to perpetuator directly according to Albrecht *et. al.* (2011), are greed, unexpected financial needs, personal financial losses, poor credits, personal debt, living beyond one's means, high bills, peers influence financial commitment, accommodation expenses and so on.

Perceived Opportunity

Perceived opportunity in the case is where there is present of opportunity in the circumstances of the above case. In this case, need arose, and the individual makes use of the opportunity available as its occurring to strike balance to ameliorate such motive or incentive. Nevertheless, opportunity is the ability to commit fraud, which is created by weak internal controls, organizational structure, poor management oversight and or the use of one's authority or position serving the business enterprise as a finance director, controller or bookkeeper and so forth. Similarly, it is an open door to solve a problem by violating a trust. The higher the position of a person in the organizational hierarchy, the more trust is placed in such individual or individuals and the greater such an individual has opportunity to commit fraud. Mwanza (2014) discourses that if proper procedures are not established or enforced to detect fraud, the individual's activities can go undetected and

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the resultant fraud can be rampant, thus, from all the factors within the triangle. Therefore, an organization has the most control over the opportunity component to minimize the risk of fraudulent actions. This is essential to organizations review, it should produce, implement and enforce internal controls that are not only removing opportunity but also detect fraud as soon as it occurs.

Rationalization

Rationalization is also very critical, a critical element for fraud. It is the integrity or pressures. It involves an individual reconciling stealing or behavior with the commonly accepted ideal of decency and trust. It is the ability to act according to self-perceived moral and ethical values. Fraudsters find a way to rationalize their actions and make it acceptable for themselves. According to Anand, Ashiforth and Joshi (2004), rationalizations are mental strategies that allow employees and other around them to view their corrupt activities as justified. Stelios *et. al.* (2008) submitted that the concept of rationalization advices a very useful explanation for the apparent contradiction between the seemingly ethical individuals and their unethical acts. The important role of extra-individuals social processes in the corrupt environment and rationalization allows the corrupt individual to lessen the attendant feelings of anxiety or guilt. Therefore, a common example of rationalization is someone who tells that there is corrupt activity and it is acceptable because it is the type of corruption that hurts nobody.

Carmelita *et. al.* (2011) settled that an older experience CEO with educational background or knowledge have more difficulty rationalizing behavior or accounting theft or fraud than the younger CEOs with less functionally experienced, and without a business degree or qualification. On that basis, rationalization neutralizes negative feelings associate with what would otherwise be viewed as deviant or unethical behavior, and without rationalization, cognitive dissonance would create a great deal of anxiety which can force the individual to view his or herself in an unfavorable light or condition to strike deal (Festinger, 1957). Therefore, rationalization facilitate wrong doing as it allows for the possibility that individuals termed corrupt by societal standards may on the other hand see his/herself as ethical within the context of their partially explain rationalization by understanding demographics (Anand *et al.*, 2004).

Accordingly, those mental strategies allow an individual to view abnormal or normally unethical actions or acts as justified. Notwithstanding, make an extensive list of rationalization that neutralize or reduces the feelings of guilt and anxiety. These are denials of responsibility, denial of injury, denial of victim, social weighting appeal to higher loyalties and balancing the ledger. Each of the above mental strategies allows the individual to justify past or future actions that might otherwise been deemed unscrupulous. Albrecht and Albrecht (2008) added that situational pressure perceived opportunities and integrity might be present, hence, an employee can only commit fraud when personal integrity is low.

Red Flag for Fraud

Red flags are seen as actions or behavioral attitudes that are presents or likely exhibited by people who commit fraudulent acts, and of which an observation of such an individual habit, lifestyle and changes in habit and life styles had revealed some red flags. Some of the common characteristics of fraudsters is lost steep, induces self with drugs, would not be able to adequately relax, and would be able to look to on another individual directly on face, the individual work while standing, defenseless in her judgments, self-sense of guilt and pervasive in judgment, feeling sense of isolation, talks parable while integrating amongst peers, and frequently takes alcohol, become irritable easily, find excuses and a scape goats for mistakes, set defensive, argumentative, work alone and late home (Bologna & Lindquist, 1987). They provided that red frags is a characteristics, a set of circumstances that are on usual nature of vary from the normal activity, and a signal that something is out of the ordinary and may need to be investigated further.

Consequence of Occupational Fraud

Fraud has huge consequential effect on an individuals, organization, state or government that engages in fraudulent activities by itself or through others for organization or against organization. Any fraudulent act committed against organization often has its own peculiar repercussions against the individual and/or upon the organization which such acts being perpetuated (Mawanza, 2014; Albrecht et. al., 2011). Oftentimes, the consequential effects of organizational fraud may outweigh its obvious reasons why fraud is committed in first place. The implication of fraud is that while lifting the veil of incorporation when necessary, those behind the scene would be unraveled, punished and brought to book (Albrecht et. al., 2011). Against this backdrop, commission of any types of fraud undermines the quality and integrity of the financial reporting process. This can jeopardize the integrity and objectivity of the business, accounting profession, diminishes the confidence of capital markets, market participants in the realization and reliability of financial information and makes capital market less efficient as well as destroys the careers of individuals involved in the heinous acts (Mawanza (2014).

Moreso, it causes destruction to the normal operations and performance of the alleged companies and adversely affects a nation's growth and prosperity, and may also results in litigation losses (ACFE, 2019). Perols (2011) acknowledged that in addition to direct costs, fraud negatively affects employees, investors and undermines the reliability of corporate financial statements. It can result in higher transactional cost and less efficient markets. It demeans the integrity of the auditors both through self-regulation and legislation, which are responsible for providing assurance that financial statements are free of material misstatement caused by fraud. Organization fraud also has opposing effects to the fraudster, employees, employers, organization, investor, general public, government and so on. The effects of fraud in an organization when estimated can be higher and above the cost of raising, running, nurturing, preventing and developing a business entity in the first instance (Albrecht et. al., 2011).

Organization fraud causes huge loss to shareholder, creditors, mortgage institutions, insurance companies, business enterprise, communities, intending or prospective investors, ancillary

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services provider and entire nation's economy as the case may be. Adebisi (2009) assured that wherever there is a successful fraud incidence, certain things happen in quick succession that will leave considerable social and psychological effects as well as painful memory or lasting scars on the industry, staff of the organization, economy, firms, government and the society at large. For instance, financial statement fraud can cause potential harmful effect to organization. Fraud can undermine the integrity of such firms and financial reporting process. It can jeopardize organization core values, long standing relationship, objectivity, and integrity of the accounting profession. It is demeaning to corporate governance policies measures.

According to Rezaee (2002), fraud destroys the careers of an individuals involved in the fraud, and may result in litigation losses, bankruptcy, liquidation of business concern. It is a distraction to the normal operations and performance of the alleged companies. It encourages a higher level of regulatory interventions, and can lead to recession and creates upheavals amongst countries of nations. Against this backdrop, Taylor (2019) noted that there seems comparatively little doubt that relative few big scandals occurred in the US from the mid-1930s before the era of deregulation in the 1970s. What is certain is that the losses of business failure might be significant but worth of note. Therefore, about £8 million loss was recorded due to the collapse of the Balfour Group in 1892 (Chandler & Macniven, 2004). Salter (2008) added that a quantum of not less than \$ 60 billion (dollars) loss due to the Enron catastrophe in 2001.

Robb (1992) justifies that both investors and depositors lost £250,000 due to failure of the famous Independent West Middlesex Life and Fire Insurance Company (FIC) in 1841 due to fraud, while in Nigeria bank managing directors (MDs) were using bank liquid assets for personal gains as a consequent several banks close shops, while fewer ones merge between 2005 to 2011 as a result of fraud. Often times, the consequent effect of fraud do not affect the organization against which fraudulent activities was done alone, though, every other person shares and pay lots to it. The consequence of organization fraud is reprisal. It may go also to the actors that committed the fraud. New York daily news (2009) relayed that it has become increasingly common for convicted Chief Executive Officers (CEOs) to receive stringent financial penalties or imprisonment for these crimes. Enron's Jeff Skilling was sentenced to over 24 years imprisonment as a result of his 2006 conviction, Bernard Madoff was also sentence to 150 years in prison by the decision of a federal judge (New York Times, 2009). However, Jeff, Madoff are among the ranks of Richard Scrushy, Bernie Ebbers, John Rigas and hosts of others who according to Wall Street Journal (2007) are faced consequences as a result of fraud. In Nigeria, Oceanic MD and among some other MDs of failed banks were sentence to several years of imprisonment, some with option of fines.

Management Control Measures and Occupational Fraud

Fraud management is creating an environment that encourages the detection and prevention of frauds in commercial transitions. Fraud is meant to create a misjudgment to induce somebody to make a contract (Arzova, 2003). Fraud is not a possibility but a probability which can be better prevented if decisions are made by a group rather than an individual. Omokaro and Ikpere (2019) acknowledged that the business environment in Nigeria is deeply characterized by fraudulent

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activities and corrupt practice. Nevertheless, fraudulent activities are responsible for instability in the economy, resulting to a high mortality role of business organizations and the consequent losses of revenues. Therefore, there is need to employed a fraud management lifecycle into practice by business organizations which prove that management system is managed effectively with well-balanced components, is expected to significantly help organization to prevent and reduce the losses associated with fraud as well as ensure organization survival.

Nwairoegbu-Agbam et. al. (2016) added that fraud is bought about dishonest behavior and financial misconduct. One of the grievous challenges facing business organizations is that fraud does not only cause increase in the cost of running business but also damages company reputation and impinge in the financial stability of the organization. According to Abdulahi (2007), in Nigeria, most management of organizations has failed to internalize the norm of not using funds for purpose other than their intended use. The indiscretions are not only symptomatic of large financial abuse but have serious negative effect of encouraging malpractices and maladjustments in business operations. Thus, the need to adopt a fraud management practices to proffer answer to different fraudulent activities and ensure the survival of the organization. Manufacturing industries for instance realizes that fraudulent activities are causing increase in the cost of doing business which can threaten financial stability and also have negative impact on profitability.

Business organization however, needs to adopt a comprehensive and integrated fraud management approach to prevent detects and controls the risk of fraud. Gary et. al. (2011) admitted that fraud management strategy as a type of business organizational measures on fraud that involves administrative, punishment, incentive and alignment, as well as social, legal sanctions, vigilance and corrective measures. The success of an organization is a fundamental objective and comprises one of the primary reasons for organizations, existence, effective and efficient control of its assets and financial resources. Moreso, failure to implement such attribute could result to waste, fraud, and mismanagement, in some cases bankruptcy of the organization (Nwairoegbu-Agbam et al., 2016). The most essential element in managing risk exposes to organization is good internal control mechanisms. The absence of internal controls in business organization is a tempting open door of opportunities for fraud when linked with lack of integrity or ability to rationalize criminal behaviour. In that regards, lapses completes the fraud pyramid and allowed an individual to engage in fraudulent activities (Crumbley, Heitger & Smith., 2015).

Internal control is therefore defined as a process affected by organization's structure, work or authority flows, people and management information systems, designed to help the organization accomplice specific goals or objectives (AICPA, 2003). However, process control is a system of control involving finance or otherwise, introduced by the management or an organization to direct business activities to flow in a better, orderly and efficient manner. It ensures that management policies are strictly adhered to and for the safely of assets and accuracy of business records (Ozigbo & Orife, 2011). COSO (2011) added that key among the best practice of good business success is the control measure put in place to detect and prevent fraud within the entity whether private or public. The separation of ownership from control implied a loss of effective control by

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shareholders and taxpayers over managerial decisions which concerns over the safety of their investment (Oguda et al., 2015). A report to the USA federal government occupational fraud and abuse by the Association of Certified Fraud Examiners (ACFE) in 2002 revealed that about 46.2% (percent) of fraud occur because the victims lacked sufficient controls to prevent the fraud.

Theoretical Framework

This study anchored its premise on the theory of fraud diamond and fraud scale.

Fraud Diamond theory

Fraud diamond is an improvement of fraud triangle theory which is to predict the existence of fraud and behaviour of fraudsters. It was propounded by Cressey, 1953. Fraud diamond theory assumed that for fraud to occur there is existence of pressure, opportunity, rationalization and capacity. Therefore, perceived pressure or motives can result to unethical behaviour in work place. Perceived pressure relates to some factors, incentive or motive that leads to unethical behaviour. According to Abdullahi and Mansor, (2015), Fraud perpetrators face some pressure to commit unethical behaviour. This pressure however may be financial, monetary or non-financial which may be emanating from bad habits or those related with job. Pressure can either be positive or negative forces (Hooper & Pornelli, 2010), hence, called for management to watch out for red flags.

Perceived opportunity could assert pressure. It was also explained in Routine Activity Theory. Perceived opportunity is a situation whereby an individual committed organizational fraud when he/she noticed that there is weak control procedure or poor corporate governance. In accounting, it is called internal control weaknesses. The concept suggested that people will take advantage of circumstances available to them (Kelly & Hartley, 2010), when the management deride from responsibility. Hooper and Pornelli (2010) have said even when the pressure is extreme; financial fraud cannot occur unless an opportunity is present (Srivastava, Mock & Turner, 2005). Against the backdrop, an opportunity to commit organization fraud has two aspects: The inherent susceptibility of the organization to manipulation goals and organizational conditions that may warrant a fraud to occur. Hence, there should be a need for a management to help build adequate control measures in organizations.

Rationalization on the other hand infers that the fraudsters need fabricate some morally acceptable excuse before committing fraudulent act. Rationalization means justifying and giving excuses for the fraudulent or criminal activity. Where an individual is unable to justify his or her intended actions, he/she may not commit fraud. A situation where an individual is saying he/she was only borrowing the money, or my employer is cheating me due to the fact that he or she said that he/she was entitled to the money or needed to be paid more. These are examples of rationalization. Mainly, most fraudsters excuses their actions as “I had to steal to provide for my family” because some other persons stole before why not me too (Cressey, 1953). Hooper and Pornelli, (2010) noted that an individual or individuals who commit fraud possess a particular mind-set that allows them to justify on excuse their fraudulent actions.

Rationalization is hard to notice because one cannot read the mind of the fraudster. On this note, the management should be acquainted with fraudsters' likely defense. Capacity of the fraudster should be of interest. This explains whether the fraudster has the gut to commit the fraud. On that basis, Wolfe and Hermanson (2004), have said that it was argued that although perceived pressure might coexist with an opportunity and a rationalization. The potential perpetrator must have the skills and ability to commit fraud. The supporting elements of capability include position, ego, intelligence, deceit and coercion.

Accordingly, Mackevicius and Giriunas (2013) agreed that not all persons who possess opportunities, motivation and realization may commit fraud if they lack the capacity to carry it out. Wolfe and Hermanson (2004) presumed that without the right capabilities, a potential fraudster cannot successfully commit a material fraud. An individual's organizational position could provide the requisite ability to create or exploit opportunities to commit fraud (Naman, 2020). Dorminey, Fleming, Kranacher and Riley Jr, (2012) had highlighted that the potential perpetrator must be educationally and technically qualified to identify and exploit internal control weaknesses, and to utilize his or her organizational position and knowledge to his/her advantage. Large organization frauds are usually committed by highly intelligent, experienced, and creative individuals who have an excellent understanding of the company's controls and vulnerabilities.

The fraud scale was developed by Albrecht, Howe & Romney (1984) based on an analysis of 212 frauds in the early 1908s. The researchers interviewed internal auditors of several fraud affected companies to analyze each case. Albrecht *et al.* (1984) proposed a model which borrows two factors from the fraud triangle: pressures and opportunities, and replace the third factor (rationalization) with personal integrity (Dorminey *et al.*, 2012). They argued that personal integrity could be judged based on past actions, whereas it is very difficult to operationalize rationalization. However, top management personnel who have failed in their previous positions or who have been accused of financial impropriety rarely get re-hired in senior managerial positions. Hence, this model has limited applicability in explaining corporate fraud beyond the Fraud triangle (Naman, 2020).

Fraud Scale Theory

Fraud scale theory on the other hand, was postulated by Albrecht, Howe and Romney in 1984 to decipher the notions entrenched in the theory of fraud triangle. Albrecht *et al.* (1984) theory emphasizes on the use of an element known to be personal integrity instead of rationalization. The proponents believed and explained that personal integrity can be observed in both an individual's decision and the decision making process which helped in assessing integrity and determining the fact that an individual will commit fraud. This theory was an alternative to fraud triangle model and which is much related to the fraud triangle.

The proponent admitted that their position on the view point of both the occupational theft and employee, noted that personal integrity element is associated with each individual's personal code

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of ethical behaviour. Albrecht et. al. (1984) advanced that personal integrity can be observed in both an individual's decision and the decision making process which can help in assessing integrity and determine the chances that an individual will commit fraud. They however admitted that fraud and other unethical behaviour often take place in regard to an individual dishonesty or lack of personal integrity or other moral reasons. The theory provided for possible avenue for such fraud happening but that the services of a trained and experience investigator such as accountant, auditor or forensic expert should be highly required.

Empirical Review

Several prior studies have been carried out to evaluate the characterization of organization fraud. There are seem to be a consensus from most of these studies that management control measures have been overwhelmed by fraud in situations where there are weak organization structure, corporate governance participation, internal control system and audit committee. Yekini et. al. (2018) investigated employee fraud within small enterprises in the Nigerian mobile phone sector. Data were collected using structured questionnaires administered to 159 business owners while the statistical tool used includes Pearson correlation and multiple regression. The study showed that there is positive relationship between employee and organizational factors with occupational frauds and employers in Nigeria. It also identified significant relationship between personal and organizational factor and employee theft, while organizational factor made the stronger positive contribution to employee theft. This implied that many businesses in Nigeria do not have preventive measures against employee theft in their firms. It therefore recommended that businesses should have ways to prevent employee thefts or frauds.

Lamin (2020) examined factors determining employee fraud: The role of ethical corporate culture as a mediating variable in Jakarta. It employed quantitative research through questionnaire administration. The statistical tool used was partial least square structural equation model. The study found that employee's factor has significant influence on fraud in small scale businesses in Jakarta. The study recommended that good internal control and corporate governance should be well monitored and regulated in order to prevent fraud in small businesses.

Olanrewaju and Johnson-Rokosu (2019) examined the impact of employee fraud on business entities in Nigeria. The study employed combination of qualitative and quantitative research design and the research instrument was questionnaire. The statistical device used was Chi-square and result revealed that employee factor has significant impact on occupational fraud and as well can have significant impact on the growth, profitability and going concern of business entities in Nigeria.

Muceldili, Uzun and Oya (2018) carried out an investigation of individual and organizational factors on intention to fraud. The research instrument used was questionnaire while statistical tool employed was Structural Equation Model (SEM). The study found that individual or personal and organizational factors have significant effect and positive relationship with intention to fraud. It also revealed that employee's factors has positive relationship with intention to fraud.

Carmelita et. al. (2011) study evaluated CEO demographics and accounting fraud: Who is more likely to rationalize illegal acts? The study proposed that key CEO demographic factors reflect alternative modes of rationalizing the choice to engage in and/or facilitate fraud. The study based its findings on a sample of 312 fraud-committing and control firms. It was revealed that younger or less functionally experienced CEOs, hence, CEOs without business degrees will be more likely to rationalize accounting fraud as an acceptance decision.

Hasni et. al. (2020) study analyzed the relationship between rationalization and financial pressure on asset misappropriation tendency by mediating opportunity in the Indonesian. The study employed purposive sampling with 363 responses and the use of direct survey method, postal mail, online. It analyzed data by using structural equation model and AMOS-based covariance. It discovered that financial pressure, rationalization and opportunity had a significant positive effect on asset misappropriation tendency. Also, observed that opportunity mediates relationship between rationalizations and asset misappropriation tendency. But that opportunity does not mediate relationship between financial pressure and asset misappropriation tendency.

Nwairogbu-Agbam et. al. (2016) examined the relationship between fraud management strategies and organizational success on selected manufacturing firms in Nigeria, using primary data and spearman rank order correlation coefficient. The study revealed that significant association between the dimension of the fraud management strategies and measure of organization success.

Omokaro and Ikpere (2019) examined the impact of fraud management activities on organizational survival in Nigeria. The study used primary data for 270 respondents and employed Wilcoxon test for related samples for analysis. The study revealed that the measures of fraud management have positive impact on fraud management in Nigeria. Therefore, identified deterrence measures, preventive measures, detection measures, mitigation measures, analysis measures, investigation measures and prosecution measure as the major fraud management activities in Nigeria; hence, there is the need for effective implantation of fraud management activities in organization in Nigeria.

Davis and Harris (2020) conducted study on the strategies to prevent and detect occupational fraud in small retail businesses in southeastern Pennsylvania. It employed qualitative design through observation, interview and documentary evidence. It used partial least square structural equation model as statistical tool and found that owner and employee factors have significant influence on occupational fraud. The study therefore recommended the following strategies for owners of businesses like monitoring, tracking employee activity using employee identity documents, separating duties, and communicating with employees.

Knowledge Gap

In regard to the above existing empirical literature and the research gap envisaged in works done previously with evidence from both Nigeria and other clime.

Prior study on the occupational fraud amongst SMEs has either focused on the analysis of the main forces of workplace fraud in Zimbabwean (Toit, 2008); or looking at understanding the theoretical underpinnings of business fraud (Naman, 2020); CEO demographics and accounting fraud (Carmelita *et al.*, 2011) in other climes; More studies from the global scene looks at the organizations of corrupt individuals (Pinto *et al.*, 2008); Dark side of authority: Antecedents, mechanisms and outcomes of organizational corruption (Aguilera & Vadera, 2008); financial fraud, scandal and regulation (Hugo, 2019); Asset misappropriation tendency: Rationalization, financial pressure and the role of opportunity: A study on the Indonesian government sector (Hasni *et al.*, 2020). Moreso is this peculiar studies from the globe focused on strategies to prevent and detect occupational fraud in small retail businesses (Marquita & Harris, 2020).

Though, studies from this area in Nigeria have not been insightful as extended in scope as in the global scene. Few studies that were done focused on workplace fraud and theft in SMEs (Yekini *et al.*, 2017); the impact of fraud management activities on organization survival in Nigeria (Omokaro & Ikpere, 2019; consequences of bank fraud on the growth of Nigeria economy (Iyoda *et al.*, 2016), but, a typical study carried out by Nwairoegbu-Agbam & Nwuche (2016) goes on to evaluate the fraud management strategies and organization success in Nigeria. Nonetheless, also the study:

- 1) Expands literature on the occupational fraud amongst SMEs using qualitative research approach to reviewed topical issues thereby involving a survey of literature to bring to the fore discussion of issues germane to the topic for further dialogue.
- 2) This study is not limited to only organization fraud and its concept. But, goes on to evaluate SMEs and its determinant indicators, and extended discussions to cover owner, organization, personal and employee factor and other forms of occupational fraud. It also looked at its characteristics, red flag as well as implications of occupational fraud.
- 3) Also modified the models previously used by some studies to capture determinant factors including relationship between occupational frauds amongst SMEs using Edo State as a case study.
- 4) Used virtually combination of some relevant empirical and analytical tools such as pooled regression of the ordinary least square (OLS), Path Correlation Analysis, Spearman Correlation Coefficient employed by previously studies which allowed for a combination of the results under different estimation techniques.
- 5) Showed detailed diagnostic and standard test using core descriptive statistics tool with the view to establishing the behaviour of the data set and its further relevance in data analysis.

METHODOLOGY

Research Design

The study adopted a survey research design. The research design involves a survey, and where data had been collected by questioning a fraction of the population which made up the sample size of the study.

Population Sampling and Sample Techniques

The population for this research study includes small scale business enterprises in Edo State having staff strength of between seven (7) and thirty-five (35) employees. Given that the population is unknown and finite. The research adopted convenience sampling technique method in selecting respondents which consisting of selected sample from the three senatorial districts of Edo State, covering from Edo South Senatorial District such as Oredo with headquarters in (Benin City), Egor (Uselu) and Ikpoba-Okha (Idogbo); Edo Central Senatorial District: Esan West (Ekpoma), Esan North-East (Uromi/Uzea); and Edo North Senatorial District Etsako West (Auchi), Etsako East (Agenebode) to assess the determinant factors of occupational fraud amongst SMEs in Edo State using the Guilford and Flruchter (1973) formula for estimating sample size for the study. The sample estimate is as follows: Assuming that we have;

$$n = \frac{N}{1+(\alpha^2 N)}$$

Where;

n = Appropriate sample size,

N = Number of population size,

$\alpha = 0.05$ (level of Significance)

i = 2

Given infinite population, the sample size is derived as thus;

$$n = \frac{854}{1+(0.05^2*854)} = \frac{854}{1+(0.05*0.05*854)} = \frac{854}{1+(0.0025*854)} = \frac{854}{1+(2.135)} = \frac{854}{3.135} = \underline{272.4083}$$

$$n = \underline{272}$$

Based on the above 272 questionnaires was conveniently distributed to members of the research population.

Method of Data Collection

Data were collected using structured questionnaires administered to respondents from the selection population either by hand or by electronic means. The questionnaires were accompanied by a covering letter which states clearly the purpose of the study, as well as assures the respondents of the confidentiality with which their response were treated. Responses were drowned from the Pharmaceutical Business, Manufacturing Business, Petro Station Business, Departmental Stores, Supermarkets, Maintenance Service Providers, Vehicle Sales Outlets, Self Employed Professional, Artisans and among others. The data collected from the survey sampled respondents were analyzed using descriptive and inferential statistics including frequency table, percentages analysis, means,

Publication of the European Centre for Research Training and Development-UK standard deviation and error mean to describe data gotten from the questionnaire. This comprise of frequency distribution, while regression analysis were used to test the above hypotheses stated. The inferential statistics such as T-test was used to compare whether the experience of occupational fraud amongst SMEs in Edo State differs from one sector to the other. The study used Statistical Packages for Social Sciences (SPSS version 20), and from successfully retrieved questionnaires that were estimated with computer software.

Operationalization and Measurement of Variables

Table 3.5.1: Operationalization and Measurement of Variables

S/N	Item	Operational Definition	Measurement	Question Number
Demographic Information				
1	Gender	Sex Respondents	Two Point Categorical Scale	Q1
2	Age grade	Age of Respondents	Four Point Categorical Scale	Q2
3	Marital Status	Marital Status of Respondents	Four Point Categorical Scale	Q3
4	Cadre	Job level of Respondents within the each Local Government hemisphere	Two Point Categorical Scale	Q4
5	Educational Qualification	Educational Qualification Obtained by each respondents	Six Point Categorical Scale	Q5
6	SMEs Type	Business Type and Scope of Respondents amongst SMEs with Edo State	Four Point Categorical Scale	Q6
7	Occupational Fraud	Occupational fraud can be seen as any unlawful acquisition, control or conversion of either cash or property (or both) of a company by its employee during the cause of a job related activity (Walls, 2011). According to Sauser (2007), it is an illegal acquisition of an entity's property by the employee for personal benefits.	Five Point Likert Scale	Q7 - Q11
8	Owner Factor	Owner can be seen as the sole proprietor of a business concern. Who is in charge, and fully responsible for the day to day running including all obligations related to business fortune, formation, engagement and promotion as well as debt obligations. However, the owner manage, conduct and supervised as require to	Five Point Likert Scale	Q12- Q16

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		judiciously use the means to accomplish an ends (Arua & Uzuegbu, 2014)		
9	Organizational Factor	Organization factor are those elements are presence, characterize business operations, and influence, dictate and responsible for the organizing the running of the organizational business on regular basis. According to Normah <i>et. al.</i> (2015), organizational learning with a proper amount of reward could enhance organizational effectiveness, having reward and proper disciplinary action policies may help to minimize the opportunity to commit financial fraud.	Five Point Likert Scale	Q17-Q21
10	Personal Factor	Personal factor has been defined to mean the use of authority or personal position serving the organization in the capacity of a finance director, controller or bookkeeper and so on in the organization hierarchy. Personal factor presents as a result of opportunity. According to Mawanza (2014), individual make use of opportunity available to strike balance as created by poor management oversight, organizational structure and weak internal control. An individual will want to rationalized their position because the more trust placed in such an individual greater the opportunity that present to commit fraud.	Five Point Likert Scale	Q22-Q26
11	Employee Factor	Employees factor is defined as those elements that make a staff indulge in theft due to several factor that inclined him to pilfer from employers when feel their salaries were not commensurate with their tasks at their workplaces (Greenberge, 2002). Accordingly, employee will steal from employers to reinstate balance when they feel their inputs are not commensurate with their compensation (Appelbaum, Cottin, Remy & Shapiro, 2006).	Five Point Likert Scale	Q27-Q31

Sources: Author Compilation (2022).

Research Instrument

The instrument for obtaining information for this research is a question response format questionnaire delivered by hand and by mail to respondents. The questionnaire had four sections. The first covered the biographic information of the respondents and basic information about the organization. The second focused on extracting information on succession planning as it relates to their organizations using the yes or no format. The third section had the likert scale for responses presented as follows: 1 = strongly Disagree, 2 = Disagree, Indifferent, 4 = Agree and, 5 = Strongly Agree while the fourth has a mixture of a selected of options and ranking of options. five (5) scales points as strongly agreed and disagreed with Taro Yamane’s formula to assess pooled regression of the ordinary Least Square (OLS) model and Spearman Correlation for analysis, and primary data with the use of questionnaires.

Validity and Reliability

The research instrument for the study was validated by the expert opinions of the supervisor to ascertain if the questionnaire items measured what they ought to measure and as would be affirmed by my supervisor. A pilot study was conducted with sample questionnaire of about 50 copies which were administered to the respondents amongst SMEs owners, employees and other actors in order to assess the validity and reliability of the research instruments to be used in collecting the require data. These were not only done by the researcher but with the help of research assistance. The questionnaires were reviewed to remove the errors and deficiencies identified during the pilot study. The data collected were tested using Cronbach’s Alpha to assess its reliability by calculating the internal consistency of the questionnaire items in each scale. The reliability test has been shown in the table below:

Model Specification

The research introduced path correlation analysis model to assess which among the determinant indicators has positively or negatively influences the occupational fraud amongst SMEs in Edo State. The path analysis is an extension of the regression model used to test the fit of the correlation matrix against two or more causal models which are compared. The goal of path analysis is to provide plausible explanations of observed correlations by constructing model of cause and effect relation among variables. The path analysis is a device for analyzing the causal relationship between two or more variables. This is in line with the model specified in Yekini *et. al.* (2017). The study examined the relationship between different factors that could cause an employee to engage in fraudulent behaviours amongst SME.

3.8.1 Model

$$Y_{ij} = \beta_0 + \beta_1X_i + \beta_2X_i + \beta_3X_i + \beta_4X_i + \dots + \mu_{ij} \text{-----} (1)$$

$$OCPF = f(SMEsDI) \text{-----} (2)$$

$$OCPF = CHLR + SKMN + BILS + IVTF + KBAS \text{-----} (3)$$

$$SMEsDI = ONAF + OGZF + PNAF + EMPF + \dots \text{-----} (4)$$

$$OCPF = f(ONAF_1 + OGZF_2 + PNAF_3 + EMPF_4) \text{-----} (5)$$

$$OCPF_{ij} = \beta_0 + \beta_1ONAF_{ij} + \beta_2OGZF_{ij} + \beta_3PNAF_{ij} + \beta_4EMPF_{ij} + \dots + \mu_{ij} \text{-----} (6)$$

Apriori expectation = $\beta_0 > 0, \beta_1 > 0, \beta_2 > 0, \beta_3 > 0, \beta_4 > 0$

Where;

μ_{ij} = Residual or Error Term or Stochastic Variable

β_0 = Slope

β_1 to β_5 = Coefficients of Variables

Description of Model Variables

Independent Variable = Determinant Indicators = SMEsDI proxied by Owner Factor = ONAF, Organizational Factor = OGZF, Personal Factor = PNAF and Employee Factor = EMPF. Meanwhile, Dependent Variable = Occupational Fraud = OCPF proxied by Cash Larceny = CHLR, Skimming = SKMN, Billing Scheme = BILS, Inventory Theft = IVTF, Kickback and Stealing = KBAS.

Model Justification

Our model estimate and methodology in use are in consonance with the procedure adopted in Yekini *et. al.* (2017) on workplace fraud and theft in SMEs: Evidence from the mobile telephone sector in Nigeria. The assessment was to shown the relationship between different factors that could cause an employee to engage in fraudulent behaviour amongst SMEs in Nigeria. The study adopted regression and Pearson Correlation Coefficient (PCC) analysis to look at the cause of employee theft proxied by Personal Factor = AVTPEFAC, Organizational Factors = AVORGFAC, while effect of employee theft proxied with Larceny = LAR, Skimming = SKIM, Billing = BIL, Expenses Reimbursement = EXD. The study specified its model as followed;

$$AEMTHEFT = \beta_0 + \beta_1AVTPEFAC + \beta_2AVORGFAC + \alpha$$

$$ABOEFECT = \beta_0 + \beta_1LAR + \beta_2SKIM + \beta_3BIL + \beta_4EXD + \alpha$$

$$AEMEFECT = \beta_0 + \beta_1LAR + \beta_2SKIM + \beta_3BIL + \beta_4EXD + \alpha$$

Another study Omokaro and Ikpere (2019) that justified our study evaluated the impact of fraud management activities on organization survival in Nigeria. The valuation was to examine the impact of fraud management activities on organizational survival in Nigeria. The study adopted a cross sectional survey method using Cochram formula to determine sample size of 269 though administration of questionnaire amongst manufacturing/production, distribution/warehouse, mining/construction, business process outsourcing/rendering services among others. The study was modified alongside with Wilcoxon Tests. The Wilcoxon test is intermediate between the sign test and the correlated sample t-test in the amount of information which is extracted from the data of interest.

DATA ANALYSIS AND INTERPRETATION OF RESULTS

Data Presentation and Interpretation

This section actually examined questionnaires successfully retrieved and analyzed. A total of 272 copies of questionnaires were distributed to respondents of different categories of characteristics or profiles (which include gender, marital status, age, educational background, years/working experience,

Publication of the European Centre for Research Training and Development-UK (nature of business), while 266 were successfully retrieved from sampled small business owners and employees in Edo State. These are highlighted in Tables 4.2.1 to 4.4.1 below and interpreted accordingly as follows:

Table: 4.2.1: Descriptive statistics of respondents' perceptions relating to occupational fraud

S/ N	Parameters of Occupational Fraud (OCPF)	N (%)	Responses					Descriptive Statistics	
			Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Standard Deviation
1.	Spending money without recording in books of account (cash larceny) can affect SMEs operation.	266 (100)	174 (65.4)	88 (33.1)	2 (0.8)	2 (0.8)	- (-)	4.63	0.773
2.	Taking cash (cash skimming) for personal use before recording in accounting books can affect SMEs operation.	266 (100)	104 (39.1)	149 (56.0)	8 (3.0)	- (-)	5 (1.9)	4.30	0.707
3.	Altering and forgery of cash figures for personal gains (Billings scheme)	266 (100)	86 (32.3)	101 (38.0)	42 (15.8)	5 (1.9)	32 (12.0)	3.77	1.261
4.	Theft of the firm products and assets (inventory theft)	266 (100)	155 (58.3)	83 (31.2)	20 (7.5)	1 (0.4)	7 (2.6)	4.42	0.857
5.	Some employees in your organization receive kickback before rendering services to customers.	266 (100)	177 (66.5)	58 (21.8)	28 (10.5)	- (-)	3 (1.1)	4.53	0.773
Overall index							4.53	0.773	

Source: Researcher's Survey, (2022)

Highly considered assumed mean ($\bar{X}=3.0$)

Table 4.2.1 shows respondents' perceptions on issues relating to occupational fraud. It is observed that a total of 262 (98.5%) respondents were of the agreed view that some employees are involved in (cash larceny) company's money without recording in the entity books of account, 2(0.8 %) respondents were neutral to the view while 2(0.8%) of the respondents were of the disagreed opinion. The calculated mean value of respondents of 4.63 was higher than the bench value of 3.0 and minimal standard deviation of value of 0.773 suggesting that some employees are involved in (cash larceny) company's money without recording in the entity books of account.

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It is deduced that a total of 353 (94.6%) respondents were of the agreed opinion that some employees take business cash (skimming's) for personal use before recording in according books, 8 (3.0%) respondents were of neutral opinion to the statement, while 5(1.9%) respondents were of the disagreed view. The calculated mean value of 4.30 is greater than and bench mark mean value of 3.0, indicating that some employees take business cash (skimming's) for personal use before recording in accounting books.

Similarly, a total of 187 (70.3%) respondents were of agreed perception to the statement question that some employees have been involved in altering and forgery of cash figures for personal gains (Billings scheme) 42 (15.8%) respondents were neutral, while a total of 37 (13.9%) respondents were of the disagreed perceptions. The results of respondents calculated mean of 3.77 is higher than the bench mark mean value of 3.0 and standard deviation of 1.261, suggesting that some employees have been involved in altering and forgery of cash figures for personal gains (Billings scheme).

Furthermore, a total of 238 (98.5%) respondents were of the agreed view that some employees engage in theft of the firm products and assets (inventory theft). 20 (7.5%) respondents were neutral, while 8 respondents representing 3% were of the disagreed opinion to the statement question. The outcomes of respondents perceptions coupled with the calculated mean value of 4.42 which is higher than the bench mark value of 3.0 and standard deviation of 0.857 implied that greater proportion of respondents were of the agreed perceptions that some employees engage in theft of the firm products and assets (inventory theft).

It is observed that a total of 235 (88.3%) respondents were of the agreed view that some employees in your organization receive kickback before rendering services to customers, 28 (10.5%) respondents were of neutral perception, while 3(1.1%) of the respondents disagreed to this view. The high calculated mean value of 4.53 compared to low assumed mean value of 3.0, indicated that greater proportion of the respondents were of the opinion that some employees in their organizations receive kickback before rendering services to customers.

The overall mean value of 4.53 which is greater than standard deviation of 0.773 shows the high effects of the questions to occupational fraud and when compared with the highly considered mean suggested that most of the respondents were of the opinion that all the occupational frauds identified are common in small scale businesses.

Table: 4.2.2: Descriptive statistics of respondents' perceptions relating to owner factor (ONAF)

S/ N	Parameters of Owner Factors (ONAF)	N	Responses					Descriptive Statistics	
			Strongly Agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly Disagree(%)	Mean	Standard Deviation
6.	Inability of SME owners to manage the business properly can encourage employees to commit frauds.	266 (100)	89 (33.5)	149 (56.0)	13 (4.9)	12 (4.5)	3 (1.1)	4.16	0.801
7.	Inadequate internal control by SME owners can facilitate employees to commit frauds.	266 (100)	81 (30.5)	140 (52.6)	8 (3.0)	6 (2.3)	31 (11.7)	3.88	1.210
8.	Poor management of business policy and regularization by owners of SMEs can pave way for fraud among employees	266 (100)	61 (22.9)	167 (62.8)	30 (11.3)	1 (0.4)	7 (2.6)	4.03	0.772
9.	Unethical practice by SMEs owners can promote frauds among employees.	266 (100)	84 (31.6)	140 (52.6)	17 (6.4)	17 (6.4)	8 (3.0)	4.03	0.953
10.	Inadequate training, and experience understanding of the business by can give rooms for frauds among employees.	266 (100)	66 (24.8)	161 (60.5)	21 (7.9)	8 (3.0)	10 (3.8)	4.00	0.888
Overall index								4.02	0.925

Source: Researcher (2022)

Highly considered assumed mean (\bar{X} =3.0)

Table 4.2.2 shows descriptive statistics of respondents' perceptions on issues relating to owners factors. It is deduced that a total of 238 (89.5%) respondents were of agreed opinion that the inability of SME owners to manage the business properly can encourage employees to commit frauds, 13(4.9%) respondents were neutral, while 15 (5.6%) respondents disagreed to the stated question. The calculated mean value of 4.16 was greater than the assumed mean value of 3.0 implying that greater proportions of the respondents were of the agreed opinion to the question.

A total of 221 (83%) respondents were of the agreed perceptions that inadequate internal control by SME owners can facilitate employees to commit frauds, 8 (3.1%) respondents were neutral,

Publication of the European Centre for Research Training and Development-UK while 19 (14%) respondents were of the disagreed perception. The mean value of 3.88 was higher than standard deviation of 1.210 suggesting that inadequate internal control by SMEs owners can facilitate employees committing frauds.

Also, a total of 228 (85.5%) respondents were of the agreed view to this assertion that poor management of business policy and regularization by owners of SMEs can pave way for employees to commit frauds, 30(11.3%) respondents were of neutral view, while 8(3%) respondents were of the disagreed opinion to the stated question. The calculated mean value of 4.03 is higher than mean bench mark of 3.0 and meaning that poor management of business policy and regularization by owners of SMEs is enhancing factor for employee to commit frauds.

In the same vein, a total of 224 (84.2%) respondents were of the agreed perceptions that unethical practices by SMEs owners can encourage employees to commit frauds, 17(6.4%) were neutral, while 25(9.4%) respondents were of the disagreed perceptions. The computed mean value of 4.03 compared to the considered assumed mean value of 3.0, suggested that unethical practice by SMEs owners can promote committing frauds among employees.

Also, total of 227 (85.3%) respondents were of the agreed notion that inadequate training and inexperience of owner in understanding of the business can give rooms to employees to commit frauds, 21 (7.9%) respondents were neutral, while 18 (6.8%) respondents were of the disagreed view. The mean outcome of 4.00 is greater than the highly considered mean value of 3.0, implying that greater proportion of the respondents were of the agreed perceptions to the stated question. The overall mean index of 4.02 compare to standard deviation of 0.925 indicated that high effect of owners factors in facilitating employees to commit fraud in small and medium scale businesses.

Table 4.2.3: Descriptive statistics of respondents' perceptions relating to organizational factors (OGZF)

S/ N	Parameters of Organizational Factors (OGZF)	N	Responses					Descriptive Statistics	
			Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Standard Deviation
11	Daily opening of business including public holidays can attract fraudulent practices by employees.	266 (100)	92 (34.6)	125 (47)	33 (12.4)	4 (1.5)	12 (4.5)	4.06	0.968
12	Improper disciplinary policy by SMEs can bring about fraudulent practices	266 (100)	118 (44.4)	120 (45.1)	7 (2.6)	12 (4.5)	9 (3.4)	4.23	0.953

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13	Poor salary scheme and reward policy of the SMEs can lead to fraudulent practices	266 (100)	100 (37.6)	136 (51.1)	4 (1.5)	8 (3.0)	18 (6.8)	4.10	1.056
14	Improper coordination of SMEs organizational structure can influence fraudulent practices.	266 (100)	114 (42.9)	125 (47.0)	12 (4.5)	12 (4.5)	3 (1.1)	4.26	0.831
15	Improper delegation of responsibility in SMEs can encourage fraudulent practices	266 (100)	137 (51.5)	113 (42.5)	- (-)	4 (1.5)	12 (4.5)	4.35	0.929
Overall index								4.2	0.947

Source: Researcher's Field Survey (2022)

Highly considered assumed mean ($\bar{X}=3.0$)

Table 4.2.3 showed respondents' perceptions on issues relating to organizational factors in enhancement of employees to commit frauds in SMEs. It revealed that a total of 217(81.6%) respondents were of the agreed opinion that daily opening of business including public holidays can attract employees to commit frauds, 33(12.4%) respondent were neutral, while 16(6%) of the respondents disagreed to this view. The calculated mean value of 4.06 when assessed with the bench mean of 3.0 suggested that greater proportion of the respondents were of the agreed opinion that opening of businesses in public holidays can attract fraudulent practices.

It is also noted that a total of 238 (89.5%) respondent were of the agreed nations that improper disciplinary policy by SMEs can enhance fraudulent practices, 13(3.4%) respondents were neutral, while 32(8.2%) respondents were of the disagreed view. The computed mean value of 4.23 is higher than the bench mark value of 3.0, suggesting that greater proportion of the respondents were of the agreed perceptions to the stated question.

It was also deduced that a total of 236 (89.9%) respondents were of the agreed assertion that poor salary scheme and reward policies of the SMEs can lead to fraudulent practices, 4(1.5%) respondents were neutral, while a total of 18(9.8%) respondent were of the disagreed opinion. The calculated mean value of 4.10 was higher than the considered assumed mean value of 3.0, indicating that most of the respondents were of the agreed opinion to the stated question.

Similarly, 239 (89.9%) respondents were of the agreed views that improper coordination of SMEs organizational structure can influence fraudulent practices, 12(4.5%) respondents were neutral, while 15(5.6%) of the respondents disagreed to this view. The calculated high mean value of 4.26 is highly than the considered assumed mean value of 3.0 implying most of the respondents were of the agreed opinion to the question asked.

In addition, 250(94%) respondents that were of the agreed perception that improper delegation of responsibility in SMEs can encourage fraudulent practices while the remaining 16(6%) of the

Publication of the European Centre for Research Training and Development-UK respondents disagreed to this view. The calculated mean value of 4.35 was higher than bench mean value of 3.0 respectively indicating that majority of the respondents were of agreed perceptions to the stated questions. The high overall mean value of 4.2 and minimal standard deviation of 0.937 indicated high effects of the questions relating to organizational structure in attracting fraudulent practices in SMEs.

Table 4.2.4: Descriptive statistics of respondents' perceptions relating to personal factor (PNAF)

S/ N	Parameters of Personal Factor (PNAF)	N	Responses					Descriptive Statistics	
			Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Standard Deviation
16.	Employees steal to meet personal expenses need due to low pay.	266 (100)	156 (58.6)	96 (36.1)	- (-)	12 (4.5)	2 (0.8)	4.47	0.783
17.	Employee has to commit fraud because of family pressure to meet up with needs.	266 (100)	178 (66.9)	55 (20.7)	13 (4.9)	12 (4.5)	8 (3.0)	4.44	0.990
18.	Employee has to commit fraud to meet unanticipated expenses	266 (266)	115 (43.2)	79 (20.7)	3 (1.1)	14 (5.3)	55 (20.7)	3.70	1.559
19.	Employee has to commit fraud to meet up with exorbitant life style	266 (100)	137 (51.5)	76 (28.6)	6 (2.3)	- (-)	47 (17.7)	3.96	1.461
20.	Monotonous and long working hours with break and compensation can lead to fraudulent practices	266 (100)	152 (57.1)	58 (21.8)	40 (15.0)	- (-)	16 (6.0)	4.24	1.100
Overall Index							4.162	1.179	

Source: Researcher's Field Survey (2022)

Highly considered assumed mean (\bar{X} =3.0)

Table 4.2.4 shows respondents' perceptions and descriptive statistics on issues relating to personal expenses. It is deduced that a total of 252 (94.7%) respondents were of the agreed perception that employees steal to meet personal expenses need due to low pay, while 14 (5.3%) of the respondents were of the disagreed opinion. The calculated mean value of respondents of 4.47 was higher than the bench value of 3.0 which further suggested that most of the respondents were of the opinion that employee had to steal to meet personal expenses need of low pay.

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A total of 233(87.6%) respondents were of the agreed opinion that employee has to commit fraud because of family pressure to meet up with needs. 13(4.9%) respondents were of neutral opinion to the statement, while 20(7.5%) respondents were of the disagreed view. Outcome of the calculated mean value of 4.44 was greater than the bench mark mean value of 3.0, indicating that majority of respondents were of the agreed perceptions that employee has to commit fraud because of family pressure.

Similarly, a total of 194 (72.9%) respondents were of agreed perception to the statement question that employee has to meet fraud to meet unanticipated expenses 3 (1.1%) respondents were neutral, while a total of 69(26%) respondents were of the disagreed perceptions. The results of respondents calculated mean of 3.70 is higher than the bench mark mean value of 3.0 and standard deviation of 1.559, suggesting that employee has to commit fraud to meet unanticipated expenses.

Furthermore, a total of 213 (77.6%) respondents were of the agreed view that employee has to commit fraud to meet up with exorbitant life style, 40 (15.0%) respondents were neutral, while 16 respondents representing 6% were of the disagreed opinion to the statement question. The outcomes of respondents perceptions coupled with the calculated mean value of 3.96 which is higher than the bench mark value of 3.0 and standard deviation of 1.461 implied that greater proportion of respondents were of the agreed perceptions that employee has to commit fraud to meet up with exorbitant life style.

It was also noted that a total of 210 (78.9%) respondents were of the agreed view that monotonous and long working hours with break and compensation can lead to fraudulent practices, 40(15.0%) respondents were of neutral perception, while 16(6.0%) of the respondents disagreed to this view. The high calculated mean value of 4.24 compared to low assumed mean value of 3.0 indicated that greater proportion of the respondents were of the agreed opinion. 4.4 high overall computed mean value of 4.162 and minimal standard deviation of 1.179 indicated a high effects personal factor motivate committing fraud in SMEs.

Table 4.2.5: Descriptive statistics of respondent perceptions relating to employee factor (EMPF)

S/ N	Parameters of Employee Factor (EMPF)	N	Responses					Descriptive Statistics	
			Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Standard Deviation
21.	Employee with special skill and expertise knowledge in organization can take advantage to commit fraud.	266 (100)	111 (41.7)	93 (35.0)	40 (15.0)	7 (2.6)	15 (5.6)	4.05	1.088

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22.	Employee make use of job specific role and opportunity available created by poor management oversight to commit fraud	266 (100)	131 (49.2)	115 (43.2)	6 (2.3)	6 (2.3)	8 (3.0)	4.33	0.876
23.	Employees make use of job specific role created by poor organizational structure to commit fraud.	266 (100)	155 (58.3)	97 (36.5)	6 (2.3)	- (-)	8 (3.0)	4.47	0.811
24.	The job specific role is perceived innocent in any incidence of theft, and does not have to been contacted for questioning, and also being rated above all, theft and coworkers.	266 (100)	145 (54.5)	99 (37.2)	8 (3.0)	9 (3.4)	5 (1.9)	4.39	0.854
25.	Job specific role of the chief executive, sales representative, purchase manager or stock keeper often misinterpreted for privilege or opportunity to misuse, override and malign or abuse official positions.	266 (100)	66 (24.8)	64 (24.1)	112 (42.1)	9 (3.4)	15 (5.6)	3.59	1.072
Overall Index								4.166	1.940

Source: Researcher's Field Survey (2022)

Highly considered assumed mean ($\bar{X}=3.0$)

Table 4.2.4 highlights descriptive statistics of respondents' perceptions on stated questions that bordered on whether job specific factor as it is concerned with committing frauds. It revealed that a total of 204 (76.7%) respondents were of the agreed opinion that employee with special skill and expertise knowledge in organization can take advantage to commit fraud, 40(15.0%) respondent were neutral, while 22(8.2%) of the respondents disagreed to this view. The calculated mean value of 4.05 was above standard deviation of 1.088 and bench mark mean of 3.0 suggesting the high effect of stated question to committing fraud and that greater proportion of the respondents were of the agreed opinion that employee with special skill and expertise knowledge in organization can take advantage to commit frauds.

Also, a total of 246(92.4%) respondent were of the agreed views that employee make use of job specific role and opportunity available created by poor management oversight to commit fraud. 6(2.3%) respondents were neutral, while 8(3.0%) respondents were of the disagreed view. Outcome of calculated mean value of 4.33 is higher than standard deviation and bench mark of 0.876 and 3.0 respectively suggested high effect of job specific role and opportunity can motivate committing frauds and that greater proportion of the respondents were of the agreed perceptions to the stated question.

It was also deduced that a total of 252(98.8%) respondents were of the agreed perceptions that employees make use of job specific role created to commit fraud, 6 (2.3%) were neutral while a

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total of 8(3.0%) respondent were of the disagreed opinion. The calculated mean value of 4.47 was higher than and the bench mean value of 3.0 respectively indicating that majority of the respondents were of the agreed opinion that employees make use of job specific role created by poor organizational structure to commit fraud.

Furthermore, a total of 244 (91.7%) respondents were of the agreed view that the job specific role is perceived innocent in any incidence of theft, and does not have to be contacted for questioning, and also being rated above all, theft and coworkers, 8(3.0%) respondents were neutral, 14(5.3%) of the respondents disagreed to this view. The calculated high mean value of 4.39 implied that the job specific role is perceived innocent in any incidence of theft, and does not have to be contacted for questioning, and also being rated above all, theft and coworkers.

Likewise, a total of 130(48.9%) respondents were of the agreed opinion that job specific role of the chief executive, sales representative, purchase manager or stock keeper often misinterpreted for privilege to abuse official positions; 112(42.1%) respondents were neutral, while 24(9%) respondents were of the disagreed views. The calculated mean index was 3.39, bench mark mean value was 3 and standard deviation value was 1.072 indicating that most of the respondents were of the agreed opinion that job specific role of the chief executive, sales representative, purchase manager or stock keeper often misinterpreted for privilege or opportunity to misuse, override and malign or abuse official positions. The overall mean value of 4.166 and minimal standard deviation of 1.940 suggested the high effect of employee factor can enhance committing frauds in SMES.

Correlation

This subsection focuses on the association that existed among variables as shown in Table 4.3.1

Table 4.3.1 Pearson Correlations

Variables	OCPF	ONAF	OGZF	PNAF	EMPF
Occupational Fraud (OCPF)	1				
Owner Factor (ONAF)	.460**	1	.		
Organizational Factor (OGZF)	.023	.266**	1		
Personal Factor (PNAF)	.026	.122*	.637**	1	
Employee Factor (EMPF)	.020	-.005	.356**	.368**	1

Source: Researcher's Computation (2022) (SPSS21) **. Correlation is significant at the 0.01 level (2-tailed).and *0.10 (1-tailed) (see appendix section for detailed results)

Table 4.3.1 highlights the associations that exist among variables. It is deduced that when occupational fraud (OCPF) is at a perfect unit value of 1, owner factor indicated positive association (ONAF $r=.460^{**}$), organizational factor stood at positive value (OGZF $r=-.023$), personal factor showed positive association (PNAF $r=-.026$, while employee factor was also at a positive correlation value of .020. The various factor with positive values indicated that they positive relationship with occupational fraud. The values with asterisk or high values showed the high effects of associations with occupational fraud. However, when the Pearson correlation is

Publication of the European Centre for Research Training and Development-UK applied as a diagnostic test, there is absence of multicollinearity since none of the variables exceeded 0.90 as suggested (by Meyers, Gamst and Guarino, 2006; Hair, Black, Babin & Anderson, 2010). The results further implied that variables data were suitable for regression purposes, hence we proceeded to check for sampling adequacy using Kaiser Meyer-Olkin (KMO) and Bartlett's test of sphericity as indicated in Table 4.3.2 below.

Table 4.3.2: Kaiser Meyer-Olkin (KMO) and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.599
Approx. Chi-Square		670.170
Bartlett's Test of Sphericity	Df	15
	Sig	.000

Source: Author's Compilation (2022) (SPSS. 20)

The Kaiser Meyer-Olkin (KMO) which is concerned with testing of sampling adequacy and Bartlett's Test of Sphericity proved to be significant following the result of the estimated chi-square value of 870.170 and significant at 1%. This implied that sampled upstream oil and gas firms and required observations were adequate to justify the study. Also, collated questionnaire data were quite reduced using the principal component analysis (PCA) for the use of ordinary least square (OLS) regression (see appendix section for results including principal component analysis (PCA) matrix). Hence, we proceed to the use of ordinary least square (OLS) regression in the next section.

Multiple Regression and Test of Hypotheses

This section examines multiple regression results and testing of various hypotheses formulated previously in chapter one. These are as follows.

Table 4.4.1: Ordinary Least Square (OLS) Regression Estimation (OCPF=265 Observations)

Variable/Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-2.431	339		-7.165	.000
ONAF	.449	.082	.369	5.486	.000
OGZF	.149	.048	.213	3.087	.002
PNAF	.137	.060	.145	2.272	.024
EMPF	.006	.059	.008	.102	.919

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R = 0.662^a	R Square = 0.631	Adjusted R Square = 0.615
Std. Error of the Estimate = 0.587		
F-Stat = 8.302 (0.000)		Durbin-Watson = 1.995

Source: Researcher's Compilations (2022) (SPSS.20) (see appendix section for detailed results)

$$OCPF = -2.131 + 0.449ONAF - 0.149OGZF + 0.137PNAF + 0.006EMPF$$

(-7.165) (5.486) (-3.087) (2.272) (0.102)

Table 4.4.1 showed the least square regression method results of the variables examined. Reported below the model in parentheses against coefficients were the t-statistics. The results revealed that all the independent variables used to proxy determinants of occupational frauds like; owner factor (ONAF), organizational factor (OGZF), personal factor (PNAF) and employee factor (EMPF). The Owner factor (ONAF) which indicated positive coefficient value of 0.449 with occupational fraud (OCPF) implied that a unit increase in owner factor (ONAF) could bring about to increase in occupational fraud by 45%. Similarly, organizational factor with positive coefficient value of 0.149 units with occupational fraud suggested that a unit increase in organizational structure lapses would lead to increase in occupational fraud by 15%. Furthermore, personal factor (PNAF) with positive coefficient value of 0.137 units with occupational fraud (OCPF), revealed that a unit increase in personal factor would lead to increase in occupational fraud by 14%. It is also deduced that employee factor (EMPF) which stood at positive coefficient value of 0.006 units with occupational fraud, implied that a unit increase in employee factor would lead to increase in occupational fraud (OCPF) by 0.06%.

However, it is deduced that the results stood at a positive correlation coefficient of 0.662 (66%) indicated that it is moderately high and positively correlated with occupational fraud. The coefficient of determination ($R^2 = 0.631$), implied that the explanatory variables in the model accounted for 63% variations in the dependent variable which is occupational fraud (OCPF). Also, the adjusted coefficient of determination ($\bar{R}^2 = 0.615$) indicated that about 62% of the variations in the likely factor that cause occupation fraud in small scale businesses (SMEs) were explained after adjusting the degree of freedom. The overall test (F-statistic) (goodness-of-fit measure) which indicated value of 8.302 units and at significant level of 1%, compared with standard error of regression with minimal value of 0.587, suggested that the overall result is statistically significant and there exist linear relationship between the independent variables and dependent variable (occupational fraud). The Durbin-Watson statistic with value of 1.995, implied absent of autocorrelation in the result which is a further indication that the results are suitable for prediction and policy implementation.

Test of Hypotheses

Testing of hypotheses previously formulated, the decision rule was to accept the hypothesis formulated if it is statistically significant at 5%, otherwise we reject the hypothesis. To test the hypotheses, least square method results in Table 4.4.1 is used.

Test of Hypothesis One

- (i) **Hypothesis Formulated: H0₁:** *There is no significant relationship between owner factor and occupational fraud amongst SMEs in Edo State.*
- (ii) **Test Statistic and Decision:** Owner factor in Table 4.4.1 which stood at t-statistic value of 5.486 at probability value of 0.00(1%) compared with the critical value of 5% significance level (95% confidence), indicates that owner factor is statistically significant. With reference to the decision rule stated earlier, we therefore reject the hypothesis formulated, implying that owner factor has significant influence on occupational fraud amongst SME in Edo State.

Test of Hypothesis Two

- (i) **Hypothesis Formulated: H0₂:** *There is no significant relationship between organizational factor and occupational fraud amongst SMEs in Edo State.*
- (ii) **Test Statistic and Decision:** Organizational factor (OGNF) in Table 4.4.1 which has a calculated t-statistic value of 3.087 at probability value of 0.00(1%) while the critical probability value was 5% significance level (95% confidence), implied that the organizational factor is statistically significant with occupational fraud. Following the decision rule, the result showed that we reject the hypothesis formulated indicating that organizational factor has a significant influence on occupational fraud amongst SMEs in Edo State.

Test of Hypothesis Three

- (i) **Hypothesis Formulated: H0₃:** *There is no significant relationship between personal factor and occupational fraud amongst SMEs in Edo State*
- (ii) **Test Statistic and Decision:** Personal factor in Table 4.4.1 indicated calculated t-statistics of 2.272 at a probability value of 0.00(0%) while the critical value was at 5% significance level (95% confidence). The result showed that personal factor is statistically significant. Based on the decision rule, we therefore reject the hypothesis suggesting that there is significant influence on personal factor and occupational fraud amongst SMEs in Edo State.

Test of Hypothesis Four

- (i) **Hypothesis Formulated: H0₄:** *There is no significant relationship between employee factor and occupational fraud amongst SMEs in Edo State*
- (ii) **Test Statistic:** Employee factor in Table 4.4.1 indicated calculated t- statistic value of 0.102 at probability value of 0.919 (92%) while the critical value was at 5% significance level (95% confidence) suggesting that it is statistically insignificant. From the decision rule

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perspective, the outcome showed that we accept the hypothesis formulated meaning that there is no significant relationship between the cause and effect of employee factor on occupational fraud amongst SMEs in Edo State.

DISCUSSION OF FINDINGS

The findings of this study are discussed as follow:

First, it is deduced in Table 4.2.2 that the overall mean index of 4.02 compare to standard deviation of 0.925 and bench mark assumed mean value of 3.0 indicated that high effect of owners factors in facilitating occupational fraud, and greater proportion of the respondents were of the perceptions that owner factor enhance employees to commit fraud in small and medium scale businesses in Edo Stae. The positive coefficient value in Table 4.4.1 which is in line with our apriori expectation suggesting that a unit increase in owner factor (ONAF) could bring about to increase in occupational fraud. Result of the hypothesis tested showed that owner factor has significant influence on occupational fraud amongst SME in Edo State. This implied that owner factor is a critical influencing factor of occupational fraud. It supports the extant studies of Davis and Harris (2020) who found that owner factor has a significant influence on occupational fraud and recommended strategies for owners of businesses to implement in preventing or reducing frauds like monitoring and tracking employee activity using employee identity documents, separating duties, and communicating with employees. Also, Muceldili, et al., (2018) showed that owner factor has significant effect and positive relationship with intention to fraud.

Second, the high overall index mean value of 4.2 and minimal standard deviation of 0.937 when compared with the assumed mean value of 3.0 in Table 4.2.3 indicated high effects of the questions relating to organizational factor and that most of the respondents were of the view that organizational factor has influence in attracting fraudulent practices in SMEs. Organizational factor with positive coefficient value in Table 4.4.1 is in tandem with the stated apriori expectation indicating that a unit increase in organizational factor would lead to increase in occupational fraud in small and medium enterprises. The hypothesis tested revealed that there is significant influence between the cause and effect of organizational factor and occupational fraud amongst SMEs in Edo State. The implication is that organizational factor is a critical factor enhancing occupational fraud in Edo State. The results corroborated with findings of Yekini, et al., (2018) who showed that there is positive relationship between employee and organizational factors with occupational frauds and employers in Nigeria. Similarly, Muceldili, et al., (2018) showed that organizational factors have significant effect and positive relationship with intention to fraud.

Third, it is observed that in Table 4.2.4 showed high overall index computed mean value of 4.162 and minimal standard deviation of 1.179 compared with the bench assumed mean value of 3.0, indicated high effects of personal factor motivates committing fraud in SMEs and that majority of the respondents were of the opinion that personal factors have relationship with occupational fraud. Personal factor (PNAF) which indicated a positive coefficient value in Table 4.4.1 is in line with our apriori expectation implied that a unit increase in personal factor would lead to increase in

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occupational fraud. The result of hypothesis tested revealed that there is significant influence between the cause and effect of personal factor on occupational fraud amongst SMEs in Edo State. The result implied that personal factor is a strong influencing factor of occupational fraud in small and medium enterprises (SMEs). The result is in support of Muceldili, et al., (2018) who revealed that personal factors have significant effect and positive relationship with intention to commit fraud in an organization. In the same vein, Yekini *et. al.* (2017) showed that significant positive relationship exists between personal and employee theft in organization.

Finally, the study found that the overall index mean value of 4.166 and minimal standard deviation of 1.940 suggested the high effect of employee factor can enhance committing frauds in SMES. But when compare the overall mean value and bench mark mean of 3.0 in Table 4.2.5 indicated that most of the respondents were of the perceptions that issues of employee's factors have relationship with occupational fraud. Furthermore, It is also deduced that employee factor (EMPF) which stood at positive coefficient value, implied that a unit increase in employee factor would lead to increase in occupational fraud (OCPF). The test hypothesis indicated that employee's factor has no significant influence, but there exist positive relationship between the cause and effect of employee factor on occupational fraud amongst SMEs in Edo State. The implication is that employee factor is a weak influencing factor of occupational fraud. The findings supported Olanrewaju and Johnson-Rokosu (2019) who revealed that employee factor has positive relationship impact on occupational fraud and as well has impact on the growth, profitability and going concern of business entities in Nigeria. In addition, Lamin (2020) argued that employee's factor has significant influence on fraud in small scale businesses in Jakarta, and recommended that good internal control and corporate governance should be well monitored and regulated in order to prevent fraud in small businesses.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

The findings of this study are as follow:

- (i) That owner factor has significant influence and positive relationship with occupational fraud amongst SME in Edo State. This implied that owner factor is a strong influencing factor on occupational frauds amongst SMEs in Edo State.
- (ii) That organizational factor has a significant effect and positive relationship with occupational fraud amongst SMEs in Edo State. The implication is that organizational factor is a critical enhancing factor of occupational fraud amongst SMEs in Edo State.
- (iii) That personal factor has significant effect and positive relationship with occupational fraud amongst SMEs in Edo State. The implication is that personal of the employee is strong determining factor of occupational fraud amongst SMEs in Edo State
- (iv) That employee factor has no significant effect, but has positive relationship with occupational fraud amongst SMEs in Edo State. The finding implied that employee factor is a weak enhancing factor of occupational fraud amongst SMEs in Edo State.

Contributions to Knowledge

This study profoundly provided support on earlier works done in this area of study in accounting discipline thereby contributing significantly to literature, taking position on issues of determinant factor of occupational fraud amongst SMEs in Edo State. In the very specific view, the study contributes to knowledge in two ways. These are discussed thus;

Geographical Contribution

The most profound contribution to knowledge which this study has made is in the area of smoothing the effect of the determinants of occupational fraud amongst SMEs in Edo State. The research introduced path correlation model for analysis, which gives diverge view to prior studies carried out in this area. Hence, assessed which among the determinant indicators has positively or negatively influences the occupational fraud amongst SMEs. The path analysis is an extension of the regression model used to test the fitness of the correlation matrix against two or more causal models which are compared. This model has proven that the demonstration of the study hypotheses can be influenced by data characteristics based on geographical economic background of the study. However, the Nigeria firms owners', organizational factor, personal factor, and employee perspectives and other domestic indicators such as (small and medium scale businesses) constituted the variables of interest. This largely made the result a significant input to dialogues on the Nigeria domestic economic scene and climate. On that note, the study is expected to give momentum arguments to future research interest in Nigeria with specific focus on how owners influences performance or fraud, noting employees and other factors effectiveness on and/or other aspects of the SMEs.

Contribution in terms of Methodology

Adding, this study made specific contributions to knowledge in the area of its methodology, statistical inference and estimations. These are presented thus:

1. The study modified models ordinarily used by Yekini et. al. (2017); Davis and Harris (2020); Muceldili, et al., (2018); Olanrewaju & Johnson-Rokosu (2019); Lamin (2020) to include more determinant factors of occupational fraud, and specific variables to capture the causal relationship that subsists with and amongst SMEs in Edo State;
2. It expanded number of area administered questionnaire across barely all senatorial in Edo State having obtained 265 observations against what was used in most works previously reviewed. This appeared in terms of the scope and area covered, accuracy of the primary data and data frequency;
3. The study virtually combined relevant empirical, analytical tools used by the previous studies which allowed for a comparism of the results under different estimation techniques, and analyzed various sample to decipher the effect of programmes, frequency of SMEs failure, crackdown, structural shift, policy change, theft and among variables of interest; and
4. It used detailed diagnostic and standard tests employing core descriptive statistics tools with the view to establish the behaviour of the data set and further confirm their relevance in data analysis.

CONCLUSION

The issues of frauds in small and medium scale businesses have attracted considerable attention among academic researchers and practitioners. Fraud causes interruption of business operation, costs to business owners in terms of time and resources to reverse the damages caused and as well could tarnish business reputation. Theoretical framework has demonstrated the various perspectives and reasons why different types of frauds are committed in small businesses. There have been divergences in views and results of extant studies on various factors that are linked to occupational frauds in small businesses. Having analyzed various respondents perceptions, diagnostic tests and test of hypotheses formulated, it was evidenced that owner, personal and organizational factors have significant and positive relationship with occupational fraud in Edo State. Which by implications are critical factors causing and influencing occupational or small businesses frauds in Edo State. In addition, employee factor as a variable was found to have no significant effect, but have positive relationship with occurrences or intention of committing frauds in small businesses. The implication is that employee factor is weak influencing factor of occupational frauds in Edo State. Dealing squarely with occupational frauds in small businesses remains a crucial issue following the various analyses and findings. Therefore, occupational frauds with emphasis to various factors that enhance them are cankers that could disruption operations and going concern of small businesses in Edo State and Nigeria in general.

Recommendations

Having analyzed and concluded the study, the following recommendations are put forward as below:

Policy Recommendations

- (i) Owners of small businesses should employ the services of knowledgeable financial consultant to strategize the internal control and regular check of financial transactions. Also experienced external auditors can be engaged in order to reduce cases of fraud in their businesses. Owners of small businesses should ensure that normal ways of doing businesses are strictly followed in order to avoid cases of frauds in their businesses.
- (ii) Business organizations should design financial transactions and assets in such ways that it will require several checks and authorization such can help to address incidence of frauds or very difficult to defraud the business. Organizations should have strict procedures, rules and regulations to follow especially as it concerns transaction and business assets. Businesses should have good internal control and monitoring structure and procedures of doing things.
- (iii) Businesses should always be treated as separate entity and assets of the business are different from the owner's assets. Personal factors that can enhance instances of withdrawing cash by owners without proper authorization and documentation should be discouraged. The employee should always put the interest of the organization first

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- and should desist from act fraudulent act because of the position occupied to use business assets to solve personal problems.
- (iv) Employees of small businesses should always see job as their immediate source of livelihood as such eschew from any fraudulent activities that could tarnish their names. Employee should ensure that receives adequate training on the job and always report any irregularities noticed in transactions.

Recommendations for Further Studies

As this study does not claim to be exhaustive, and given the fact that research has always been described as a continuum however, this work recommends the following for further studies:

1. This study recommends for further studies the use of path correlation and Generalized Auto Regressive Conditional Heteroscedacity Model (GARCH) to analyze the performance evaluation of the occupational fraud.
2. Secondly, this research suggested for further evaluation of credit risk management on employee theft using lag Models such as Autoregressive Distributed Lag Model (ARDL).
3. This work also suggested for further study the use of Augmented Dickey Fuller (ADF), Phillip Perron (PP) test for stationarity and Random Effects Estimate, Generalized Method Moments (GMM), Chi-Square and ANOVA to harmonize challenges of small and medium scale enterprises on occupational fraud in Nigeria.

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APPENDIX 1

Department of Accounting,
Faculty of Management Sciences,
University of Benin, Benin City,
Edo State, Nigeria.
10th September, 2021.

Dear Respondents,

REQUEST FOR YOUR ASSISTANCE IN COMPLETING THE QUESTIONNAIRE

I am a post graduate student undergoing full time Master of Science (M.Sc) programme in the above University. As a part of the requirements of the programme, I am undertaking a study on the occupational fraud amongst small and medium scale enterprise in Edo State.

Please, kindly complete this questionnaire by allowing few minute of your time and return after completion. Your answers are essential in building an accurate picture of this research and such information will be treated strictly with utmost confidentiality. However, for further information about this study please call me on **08035035671**.

Thanks you for your cooperation.

Felix Ogbeiyulu UMANHONLEN
M.Sc Student.

SECTION A

Kindly tick the box between as appropriate

- 1). Gender: Male [], Female []
- 2). Age: 15 to 25 [], 26 to 35 [], 36 to 45 [], 45 and above []
- 3). Education Qualification:
[] PSC, SSC, or Equivalent
[] OND, HND, B.SC, B.A or Equivalent
[] PhD, M.Sc, MBA or Equivalent, [] Others (Please Specify) -----
- 4). Marital Status: Married [], Single [], Divorce [], Window []

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5). Designation/Position/Job:

Business Owner, Self Employed Professional, Supervisor, Account Officer, Production Manager, Foremen, Service Attendance, Artisan, Others (Please Specify) - - - - -

6). Business Type: Pharmaceutical Business, Manufacturing Business, Filling Station Business, Departmental Stores, Supermarket, Maintenance/Service Providers, Vehicle Sales Outlets, Others (Please Specify) - - - - -

SECTION B

Please, kindly indicate your level of agreement/disagreement to the statement below:

Keys: SA = Strongly Agree; A = Agree; U = Undecided; D = Disagree; SD = Strongly Disagree

	Statement	SA [5]	A [4]	U [3]	D [2]	SD [1]
A	Occupational Fraud					
7	Cash larceny amongst SMEs occurred because business usually write small amount off as shorts or miscount rather than calling it theft.					
8	Diverting business receipts to one’s own personal use often result by lack of owner policy competencies.					
9	Altering of business inventory receipts, documents, cheques or theft rampant amongst SMEs case of personal greed factor					
10	Inventory theft such as security information, supplier vehicle, offices equipment and computer are either misused, borrowed or stolen but noticed when reported					
11	Business rationalized stealing as well as encourages kickback, unfair, undeserved benefits, offering and acceptance of favour as against business trust					
B	Owner Factor					
12	The business enterprise wedges any circumstances including employee theft by its perceived success.					
13	The developmental programme perceived about business works and ethics capable of reframing business from general fraud threats.					
14	My business is strong enough to resist fraudulent activities as well as builds up routine checks itself without further needs for programmes.					
15	The business enterprise do not require further training of staff, emphases on wealth creation, and learn from daily activities as provided in the scheme of work.					

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16	My business organization is agile and able to adapt to all conditions including policies and programmes as they unfolds.					
C	Organizational Factor					
17	Our business believes in hard work, adopts these models of other businesses perceived doing well by assuming early, and last to close shop, works weekends including public holidays.					
18	My business do not believe in training and keeping to rule for engagement but tactful on self-result oriented and increase performance.					
19	The business enterprise adopted talent management strategies for the organization success.					
20	The business organizations rely on individual employee personal ability, self-idea and experience to minimize cost and maximize sales.					
21	My business task on profit and welcome self-creativity rather than relying on policies, programme or development.					
D	Personal Factor					
22	Employee had to steal to meet because pay is low and family and personal needs are on the increase.					
23	Employee usually requested for assistant to pay off loans to succumb personal pressures.					
24	Organization staff believes that other staff stole to retain their exorbitant lifestyle and kept status gets other staff to self-help.					
25	The job has not time for personal engagement, work all through, no break and proper arrangement.					
26	Personal effort is sufficient enough to get result, personal knowledge without training can create desire result.					
E	Employee Factor					
27	Employees interest in fraud increases when they are not treated justly.					
28	Business frauds are eliminated when employees are provided with conducive environment by business organization.					
29	Employees are given various benefits and packages by their business enterprise outside normal income from time to time to discourage business theft.					
30	The employees accomplished goal based on recognition and anticipated rewards by business enterprise.					
31	Employee believed on self-help for any incidence of job loss and both immediate future survival.					

APPENDIX II

```
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/READNAMES=on
/ASSUMEDSTRWIDTH=32767.
EXECUTE.
DATASET NAME DataSet1 WINDOW=FRONT.
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/STATISTICS=STDDEV MEAN
/ORDER=ANALYSIS.
```

Frequencies

Statistics

		Q1	Q2	Q3	Q4	Q5
N	Valid	266	266	266	266	266
	Missing	0	0	0	0	0
Mean		4.63	4.30	3.77	4.42	4.53
Std. Deviation		.542	.707	1.261	.857	.773

[DataSet1]

Frequency Table

Q1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2	.8	.8	.8
	3	2	.8	.8	1.5
	4	88	33.1	33.1	34.6
	5	174	65.4	65.4	100.0
	Total	266	100.0	100.0	

Q2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	1.9	1.9	1.9
	3	8	3.0	3.0	4.9
	4	149	56.0	56.0	60.9
	5	104	39.1	39.1	100.0
	Total	266	100.0	100.0	

Q3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	32	12.0	12.0	12.0
	2	5	1.9	1.9	13.9
	3	42	15.8	15.8	29.7
	4	101	38.0	38.0	67.7
	5	86	32.3	32.3	100.0
Total	266	100.0	100.0		

Q4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	2.6	2.6	2.6
	2	1	.4	.4	3.0
	3	20	7.5	7.5	10.5

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	4	83	31.2	31.2	41.7
	5	155	58.3	58.3	100.0
	Total	266	100.0	100.0	

Q5

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	3	1.1	1.1	1.1
	3	28	10.5	10.5	11.7
Valid	4	58	21.8	21.8	33.5
	5	177	66.5	66.5	100.0
	Total	266	100.0	100.0	

FREQUENCIES VARIABLES=Q6 Q7 Q8 Q9 Q10
 /STATISTICS=STDDEV MEAN
 /ORDER=ANALYSIS.

Frequencies

[DataSet1]

Statistics

		Q6	Q7	Q8	Q9	Q10
N	Valid	266	266	266	266	266
	Missing	0	0	0	0	0
Mean		4.16	3.88	4.03	4.03	4.00
Std. Deviation		.801	1.210	.772	.953	.888

Frequency Table

Q6

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	3	1.1	1.1	1.1
	2	12	4.5	4.5	5.6
Valid	3	13	4.9	4.9	10.5
	4	149	56.0	56.0	66.5
	5	89	33.5	33.5	100.0
	Total	266	100.0	100.0	

Q7

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	31	11.7	11.7	11.7
	2	6	2.3	2.3	13.9
Valid	3	8	3.0	3.0	16.9
	4	140	52.6	52.6	69.5
	5	81	30.5	30.5	100.0
	Total	266	100.0	100.0	

Q8

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	7	2.6	2.6	2.6
Valid	2	1	.4	.4	3.0
	3	30	11.3	11.3	14.3
	4	167	62.8	62.8	77.1

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5	61	22.9	22.9	100.0
Total	266	100.0	100.0	

Q9

	Frequency	Percent	Valid Percent	Cumulative Percent
1	8	3.0	3.0	3.0
2	17	6.4	6.4	9.4
3	17	6.4	6.4	15.8
4	140	52.6	52.6	68.4
5	84	31.6	31.6	100.0
Total	266	100.0	100.0	

Q10

	Frequency	Percent	Valid Percent	Cumulative Percent
1	10	3.8	3.8	3.8
2	8	3.0	3.0	6.8
3	21	7.9	7.9	14.7
4	161	60.5	60.5	75.2
5	66	24.8	24.8	100.0
Total	266	100.0	100.0	

FREQUENCIES VARIABLES=Q11 Q12 Q13 Q14 Q15

/STATISTICS=STDDEV MEAN

/ORDER=ANALYSIS.

Frequencies

[DataSet1]

Statistics

		Q11	Q12	Q13	Q14	Q15
N	Valid	266	266	266	266	266
	Missing	0	0	0	0	0
Mean		4.06	4.23	4.10	4.26	4.35
Std. Deviation		.968	.953	1.056	.831	.929

Frequency Table

Q11

	Frequency	Percent	Valid Percent	Cumulative Percent
1	12	4.5	4.5	4.5
2	4	1.5	1.5	6.0
3	33	12.4	12.4	18.4
4	125	47.0	47.0	65.4
5	92	34.6	34.6	100.0
Total	266	100.0	100.0	

Q12

	Frequency	Percent	Valid Percent	Cumulative Percent
1	9	3.4	3.4	3.4
2	12	4.5	4.5	7.9
3	7	2.6	2.6	10.5
4	120	45.1	45.1	55.6

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5	118	44.4	44.4	100.0
Total	266	100.0	100.0	

Q13

	Frequency	Percent	Valid Percent	Cumulative Percent
1	18	6.8	6.8	6.8
2	8	3.0	3.0	9.8
3	4	1.5	1.5	11.3
4	136	51.1	51.1	62.4
5	100	37.6	37.6	100.0
Total	266	100.0	100.0	

Q14

	Frequency	Percent	Valid Percent	Cumulative Percent
1	3	1.1	1.1	1.1
2	12	4.5	4.5	5.6
3	12	4.5	4.5	10.2
4	125	47.0	47.0	57.1
5	114	42.9	42.9	100.0
Total	266	100.0	100.0	

Q15

	Frequency	Percent	Valid Percent	Cumulative Percent
1	12	4.5	4.5	4.5
2	4	1.5	1.5	6.0
4	113	42.5	42.5	48.5
5	137	51.5	51.5	100.0
Total	266	100.0	100.0	

FREQUENCIES VARIABLES=Q16 Q17 Q18 Q19 Q20

/STATISTICS=STDDEV MEAN

/ORDER=ANALYSIS.

Frequencies

[DataSet1]

Statistics

	Q16	Q17	Q18	Q19	Q20
N Valid	266	266	266	266	266
Missing	0	0	0	0	0
Mean	4.47	4.44	3.70	3.96	4.24
Std. Deviation	.783	.990	1.559	1.461	1.100

Frequency Table

Q16

	Frequency	Percent	Valid Percent	Cumulative Percent
1	2	.8	.8	.8
2	12	4.5	4.5	5.3
4	96	36.1	36.1	41.4
5	156	58.6	58.6	100.0
Total	266	100.0	100.0	

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Q17

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.0	3.0	3.0
2	12	4.5	4.5	7.5
3	13	4.9	4.9	12.4
4	55	20.7	20.7	33.1
5	178	66.9	66.9	100.0
Total	266	100.0	100.0	

Q18

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	55	20.7	20.7	20.7
2	14	5.3	5.3	25.9
3	3	1.1	1.1	27.1
4	79	29.7	29.7	56.8
5	115	43.2	43.2	100.0
Total	266	100.0	100.0	

Q19

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	47	17.7	17.7	17.7
3	6	2.3	2.3	19.9
4	76	28.6	28.6	48.5
5	137	51.5	51.5	100.0
Total	266	100.0	100.0	

Q20

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	16	6.0	6.0	6.0
3	40	15.0	15.0	21.1
4	58	21.8	21.8	42.9
5	152	57.1	57.1	100.0
Total	266	100.0	100.0	

FREQUENCIES VARIABLES=Q21 Q22 Q23 Q24 Q25

/STATISTICS=STDDEV MEAN

/ORDER=ANALYSIS.

Frequencies

[DataSet1]

Statistics

	Q21	Q22	Q23	Q24	Q25
N Valid	266	266	266	266	266
Missing	0	0	0	0	0
Mean	4.05	4.33	4.47	4.39	3.59
Std. Deviation	1.088	.876	.811	.854	1.072

Frequency Table

Q21

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	15	5.6	5.6	5.6

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2	7	2.6	2.6	8.3
3	40	15.0	15.0	23.3
4	93	35.0	35.0	58.3
5	111	41.7	41.7	100.0
Total	266	100.0	100.0	

Q22

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.0	3.0	3.0
2	6	2.3	2.3	5.3
3	6	2.3	2.3	7.5
4	115	43.2	43.2	50.8
5	131	49.2	49.2	100.0
Total	266	100.0	100.0	

Q23

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.0	3.0	3.0
3	6	2.3	2.3	5.3
4	97	36.5	36.5	41.7
5	155	58.3	58.3	100.0
Total	266	100.0	100.0	

Q24

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	5	1.9	1.9	1.9
2	9	3.4	3.4	5.3
3	8	3.0	3.0	8.3
4	99	37.2	37.2	45.5
5	145	54.5	54.5	100.0
Total	266	100.0	100.0	

Q25

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	15	5.6	5.6	5.6
2	9	3.4	3.4	9.0
3	112	42.1	42.1	51.1
4	64	24.1	24.1	75.2
5	66	24.8	24.8	100.0
Total	266	100.0	100.0	

Correlations

		OCPF	ONAF	OGZF	PNAF	EMPF
OCPF	Pearson Correlation	1	.460**	-.023	-.026	-.020
	Sig. (2-tailed)		.000	.697	.653	.729
	N	266	266	266	266	266
ONAF	Pearson Correlation	.460**	1	.266**	.122*	-.005
	Sig. (2-tailed)	.000		.000	.038	.936
	N	266	266	266	266	266
OGZF	Pearson Correlation	.023	.266**	1	.637**	.358**

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	Sig. (2-tailed)	.697	.000		.000	.000
	N	266	266	266	2662	266
	Pearson Correlation	.026	.122*	.637**	1	.368**
PNAF	Sig. (2-tailed)	.653	.038	.000		.000
	N	266	266	266	266	266
	Pearson Correlation	.020	-.005	.358**	.368**	1
EMPF	Sig. (2-tailed)	.729	.936	.000	.000	
	N	266	266	266	266	266

** . Correlation is significant at the 0.01 level (2-tailed).

Regression

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EXECUTE.
```

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REGRESSION

```
/MISSING LISTWISE
/STATISTICS COEFF OUTS R ANOVA
/CRITERIA=PIN(.05) POUT(.10)
/NOORIGIN
/DEPENDENT OCPF
/METHOD=ENTER ONAF OGZF PEMF JSRF
/RESIDUALS DURBIN.
```

[DataSet1]

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	JSRF, ONAF, PEMF, OGZF ^b		Enter

- a. Dependent Variable: OCPF
- b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.662 ^a	.631	.615	.587	1.995

- a. Predictors: (Constant), JSRF, ONAF, PEMF, OGZF
- b. Dependent Variable: OCPF

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.313	5	2.863	8.302	.000 ^b
	Residual	95.165	276	.345		
	Total	109.479	281			

- a. Dependent Variable: OCPF
- b. Predictors: (Constant), JSRF, ONAF, PEMF, OGZF

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.431	.339		-7.165	.000

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ONAF	.449	.082	.369	5.486	.000
OGZF	.149	.048	.213	3.087	.002
PEMF	.137	.060	.145	2.272	.024
JSRF	.006	.059	.008	.102	.919

a. Dependent Variable: OCPF

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.678365	4.935877	4.330075	.2172128	266
Residual	-1.7820081	1.1502082	0E-7	.4716744	266
Std. Predicted Value	-3.000	2.789	.000	1.000	266
Std. Residual	-3.749	2.420	.000	.992	266

a. Dependent Variable: OCPF