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Fraud Management Strategies and Organizational Success: A Study of Manufacturing Firms in Nigeria

[1]Moses Chinedu Nwairoegbu-Agbam, [2]Dr. (Mrs) C.A Nwuche, [3]Dr. Success A.C. Anyanwu

Department of Management, Faculty of Management Sciences, University of Port Harcourt

Abstract: **The success of the organization is a fundamental objective and constitutes one of the primary reasons for organizations effective and efficient control of its assets and financial resources; failure of which could amount to waste, fraud and mismanagement. Owing to this observation, this study examines the relationship between fraud management strategies and organizational success. Fraud management strategies which is considered as the predictor variable in the study is operationalized using process controls and periodic audit, organizational success which is considered as the criterion variable is operationalized using employee retention and employee satisfaction. As a survey study, respondents were sourced from manufacturing companies in Rivers State and data for the study acquired through the personal distribution of questionnaire copies to the organizations. Analysis which entailed the use of the Spearman rank order correlation coefficient in the tests for all four bivariate hypotheses, all stated in null form, revealed significant associations between the dimensions of the predictor variable (fraud management strategies) and the measures of the criterion variable (organizational success). The findings imply that through effect fraud management strategies organizations would be more strategically positioned to manage their resources efficiently and thus enhance their employees' perception about the affairs and well-being of the organization, which would further facilitate employee retention and employee satisfaction. In conclusion, the evidence of the findings offer a factual prove of the necessity for consistent process and audit control in enhancing the performance and thus, success of the organization.**

Keywords: **Fraud management, process control, periodic audit, employee retention, employee satisfaction.**

1. INTRODUCTION

Organizational success in recent times has become a topic of discourse in business study series. It is considered as the most important objective that distinguishes business organizations. Oyedepo, Akinlabi & Sufain (2012) opined that organizational success is the totality of a business organization's capacity for survival. It encompasses the achievement of organizational vision, strategy and objectives. Des, lumpkin & Taylor (2005) posited that organizational success consists of the investigation, conclusions or arrangements carried out by business concerns in order to create and sustain economic advantages. Hidayet (2013) posited that the lack of organizational success, generally referred to as organizational failure is the inability of business organizations to achieve predetermined goals. Like any other system, business organisation is not an island it relies, depends and interacts with its environment This interaction if not checked, could pose challenges which may result to business failure.

Interestingly, the focus of this study is how business organizations can manage prevailing fraud and fraud related activities in order to create the competitive advantages needed for organizational success especially at a time when corporate scandals are very high and also the existence of global antifraud regulations. Adam (2006) acknowledged that fraudulent activities and misconducts are some major challenges that undermine public thrust and Damage Company's reputation for integrity. As organizations strive to achieve success, management agenda is also focusing on how to deal with fraud and misconduct risk which can hinder the objectives of business and make necessary efforts to reduce exposure to corporate liability, sanctions, processes and attain the highest levels of business reliability through sound corporate governance, internal control and transparency (Adam, 2006).

Studies abound with regards to the effect of fraud management practices on organizational success (Adams, 2006; Dudin, 2013; Gary et al., 2011) however, there is a paucity in studies (especially within the context of Nigeria) which have examined the relationship between fraud management strategies and organizational success measures such as employee retention and employee satisfaction given the tendencies of employee perceptions of job insecurity and organizational discontinuity which may stem from observations of financial recklessness or fraudulent practices which could also impinge on the effective dispensation of timely compensation and the adequacy of due benefits (Boxall & Macky, 2009). This is as (Gill, 2006) asserts that organizational factors such as culture, recruitment and development of staff, compensation, and leader impressions of competency especially as regards the financial and human resource management of the organization, significantly lead to a decrease employee turnover; hence the point of departure of this study from prior research contributions, examines the relative effect of fraud management strategies on organizational success in Rivers State, specifically as it applies to manufacturing companies given the possibility of various socio-economic and socio-political contextual differences as a result of Nationality and industry.

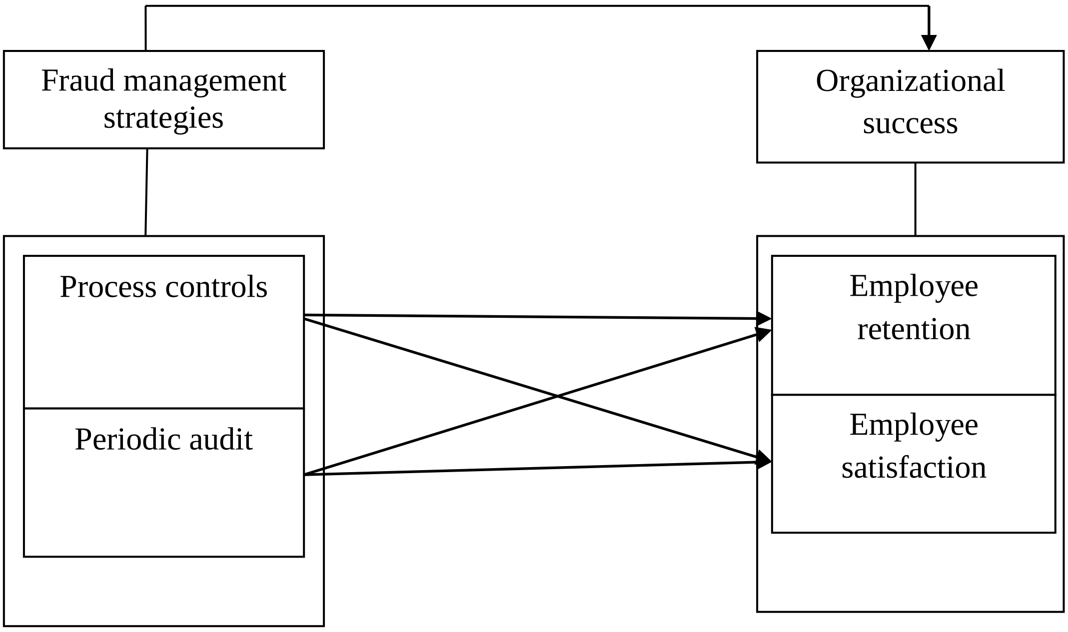

Figure1.: Operational framework of the study

RESEARCH QUESTIONS:

The following research questions were raised to address the specific objectives of the study.

i. What is the relationship between process controls and top employee retention?
ii. To what extent does process controls affect employees satisfaction?
iii. What is the relationship between periodic audit and top employee retention?
iv. To what extent does periodic audit affect employee satisfaction?

RESEARCH HYPOTHESIS:

The following null hypotheses were formulated to address the research questions

Ho_1: There is no significant relationship between process controls and employee retention of manufacturing firms in Port Harcourt, Rivers State.

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Ho_2 There is no significant relationship between process controls and employee satisfaction of manufacturing firms in Port Harcourt, Rivers State.

Ho_3: There is no significant relationship between periodic audit and employee retention of manufacturing firms in Port Harcourt, Rivers State.

Ho_4: There is no significant relationship between periodic audit and employee satisfaction of manufacturing firms in Port Harcourt, Rivers State.

2. REVIEW OF RELATED LITERATURE

Concept of Fraud Management Strategy:

Fraud, dishonest behaviours and financial misconduct are sometimes forming headline news in today's contemporary. It is one of the most grievous challenges facing business organisations .It does not only cause increase in the cost of running business but also damages company reputation and impinge in the financial stability of the organisation. In the recent time, the manufacturing industries have realized that fraudulent activities are causing increase in the cost of doing business, which can threaten financial stability and also have negative impact on profitability. Hence, business organisations need to adopt a comprehensive and integrated fraud management approach to prevent, detect and control the risk of fraud.

Arising from the review, Duffield and Grabosky (2001) cited in Gavy et al., (2011) noted that fraud encompasses deceit, misrepresentation of the truth, concealment of material facts to gain unnecessarily over another. Fraud occurs when a person or group of persons with full knowledge of material facts misrepresents such facts with the intention to gain something of value (Vasiu and Vasiu, 2004). Fraud also refers to a wilful action perpetuated by person or group of persons to gain something of value unlawfully intentional (Adam, 2006). According to Ovuakporie (1994), fraud involves dishonest and deceptive business transactions. It aims at benefiting the perpetrator at the expense of the victim. According to Cham (2002) fraud also includes the application of deception to get unjust and improper financial advantages.

Dimensions of Fraud Management Strategy:

Fraud management strategy has been described as the policies, laws, regulations and processes that have emerged worldwide, providing business concerns with numerous measures to incorporate into their systems as an antifraud measures (Adam, 2006). Put differently Lange (2008) cited in Gary et al., (2011) defined fraud management strategy as a type of organizational measures on fraud risks that involves administrative, punishment, incentive alignment, legal sanctions, social sanctions, vigilance, self-control and corrective measures. There are various dimensions that can be used to describe and assess fraud management strategy. Therefore, examining the meaning and the roles of the identified dimensions of fraud management strategy as it relates to this study in achieving organizational success becomes very fundamental.

Process Controls:

Business operations are fraught with several challenges such that if not checked, controlled or eradicated may impinge on the success or overall performance of the organisation. One of such challenges is fraudulent behaviours and misconducts. In order to ensure that organisations adhere to the principles of good governance, process controls and fraud prevention strategies can be introduced. According to Ozigbo and Orife (2011) process controls is a system of control that involves financial or otherwise introduced by the management to direct business activities move in better, orderly and efficient manner. It ensures that management policies are adhered to, to safeguard the assets and accuracy of business records. Ozigbo and Orife (2011) identified types of process controls namely: preventive control and detective control. In preventive controls errors are monitored and prevented from occurring while detective controls are used to check errors that have already occurred. The former control saves cost while the latter attracts cost to the organisation. According to Okolo (1987) cited in Ozigbo and Orife (2011) internal checks are the sum total of all the checks imposed on daily basis where the activities and actions of a person or group of persons is verified independently by a another. In the other hand process control begins with the allocation of authority and dividing the work in a manner whereby one individual cannot be in charge of an activity from beginning to the end. .

Periodic Audit:

Gayasi (2000) cited in Ozigbo and Orife (2011) regard periodic audit as the review of organisation's activities from time to time by the independent auditors to ascertain if organisational activities are in conformity with laid down policies and roles of the organisation. It is primarily concern with the accounting and financial records of the organisation though, may perform other oversight functions as may be directed by the directors. Aguoto (2002) cited in Ozigbo and Orife (2011) noted that the essences of periodic audit are:

i. To dictate errors, fraud and irregularities.
ii. To verify if transactions are entered correctly according to laid down roles and in line with policies of the organisation.
iii. To verify if assets are safeguarded.
iv. To ensure that task is performed by authorized person or group of persons.

Organizational Success:

Organizational success play major rule to the development of any nation hence, it supports daily lives of the citizens. It helps in shaping the economic, social and political progress of a nation. According to Hidayet (2013), organizational success generally refers to the ability of business firms to achieve pre-determined organizational goals. Organizational success is characterized by positive indicators such as increase in resources, increase in profit, increase in market share, and increase in capacity. Bullen and Rockart (1981) cited in Klaus et al. (1992) noted that organisational success is the ability of organisations to use their resources in such an effective and efficient manner to achieve their predetermined objectives without causing harm to their environment and society at large. According to Hidayet (2013) lack of organisational success result to failure which is characterized by negative indicators such as loss of legitimacy, loss of market share loss of resources including extinction.

Employee Retention:

Michael (2008) described employee retention as those activities of management which is geared towards the enactment and institutionalization of working conditions and frameworks as well as other organizational related issues which is aimed at engaging employees for a long term period of service or until the expiration of a given contract of service. Employee retention deals with the identification and application of various functions and policies by the organization in order to ensure that skilled and highly competent employees are retained by the organization and that incidence of voluntary turnover and its negative effects on the operations and workings of the organization is minimized.

Furthermore Boxall & Macky (2009) observed that the main objective of staff retention is the maintenance of skilled and knowledgeable staff as a result of their needed contributions within the organization as their exit or departure could have a negative impact on work processes and the overall performance of the organization; hence management implements and adopts various attractive policies aimed at attracting and appealing to competent and desirable personnel or employees since the primary intent behind staff retention is aimed at searching out and acquiring skilled, knowledgeable and competent employees with the desired levels of commitment towards their job and roles (Sutherland, 2004). Taylor (2004) asserted, with regards to scarce and limited organizational resources, time and other pressing objectives, that it is imperative for management to leave the responsibility of maintaining competent and well performing staff with the Human Resource Department; this is as it is argued that such responsibilities and activities directed towards the retention of staff have to flow from the top, through the ranks of managers to supervisors and other unit leaders. Today's leaders or managers should rather emphasis and give their attention to the establishment of favourable and conducive workplaces and environment which can be considered as being well suited to the expectations, requirement and demands of the individual. Management should therefore endeavour and strive to identify, adopt, implement and follow up strategies which confirm their concern and support by means of appearing competent and trustworthy.

Hamilton et al., (2009) argued that the most important goal and objective of any recruitment strategy is the identification and retention of competent and highly skilled staff; this is as various studies point to the relevance of knowledgeable employees and the significance of skilled personnel with overall organizational performance and success. Business organisations may have challenges if does not maintain and retain it's skill personnel. Programmes aimed at employee retention demonstrate strong commitment thereby help in attracting new skilled ones as this clearly demonstrate management position with regards to its current staff or workers. This is as IDS (2004) gave a number of retention strategies as follows:

i. Ensuring that new applicants have good impression of the organization by improving recruitment procedures.

ii. Ensuring that new intakes or recruits receives support from the organization within the first few weeks.

iii. Ensure that they have a clear career paths and support for individual development.

iv. Keeping payment values relative to market value.

v. Introducing benefit packages that will be attractive to workers.

vi. Providing good working environment for the employees.

vii. Ensuring that there is effective communication among workers.

Shaveta et al (2011) support this argument as they observe that just as the overall cost involved in replacing an outgone employee is significant, management has to concentrate and fix its attention on identifying and structuring unique and distinct strategies in order to retain their most skilled, knowledgeable and desired staff in the long run and for as long as such a relationship can be considered as advantageous and profitable. Evidence from previous studies (Gayathri et. al, 2012; Boxall & Macky, 2009) indicate that retention strategies such as compensation, work environment, staff recognition, perceptions of leader competency, justice, ethical practices, training and development as well as rewards have significant association with staff intents to remain with the organization while factors such as frustration, job insecurity, poor compensation and ill-treatment of workers as well as consistent confrontation with superiors, supervisors and fellow colleagues was observed to be some of the major reasons behind the voluntary turnover intentions of staff (Gayathri et. al, 2012).

Employee Satisfaction:

Aziri (2006) describes Job satisfaction as a cognitive and affectionate feeling of favourableness which the employee holds as regards features of his or her job or workplace. Employee satisfaction affords the individual a pleasurable and emotional state that most often produces a positive attitude towards the organization or job. An employee which is considered or reflects satisfaction has the tendency to be more engaged with the job or role expectation, to be more innovative, flexible, and loyal to the organization.

Mullins, (2005) observed that employee satisfaction is concerned with expressions of fondness and affiliation with the organization and is most often premised on feelings or attitudes and outcomes of employee perception. It is as a result of the appraisal of an employee's experiences at work. Satisfaction is primarily concerned with the likes, dislikes as well as the intrinsic and extrinsic demands and expectations of the employee; it can be considered as a vital indicator of the feelings and levels of appreciation employees feel as regards their roles and work environment. It is important that organizations focus on the provision of better working conditions, pay, and development of staff in order to attract and retain the much desired kind of employee (Sutherland, 2004). The answer to employee retention would most invariably lie in the creation and enablement of a work structure within which employees are able to grow, develop and learn while at the same time being able to afford the necessities required for a healthy standard of living (Winterton, 2011).

Ongori (2008) opines that organizations can develop and structure the necessary environment premised on responsibility, ethics and proper administration through the attainment of the needs of its present and future workers. Upward and downward employee communication channels as well as recognition are important and necessary factors in retaining employees. Organizations should endeavour to illustrate and share their past, present, and future intentions with their employees so as to facilitate perceptions of security, promote organizational stability and trustworthiness.

Studies indicate that organizations that practice financial transparency and involve their key and knowledgeable employees in decision-making usually attain a sort of trust capacity and thus are able to retain these individuals during economic downturns. Agrawal et. al, (2003) assert that the work environment should allow for learning and development opportunities while also maintaining a considerable degree of informality, excitement, and room for interpersonal relations so that employees can learn, are creative and also work with less stress. Suryanarayana et al., (2003) observed that work environment is a significant factor that affects the employee satisfaction, engagement and work commitment of professionals while Gayathri et al., (2012) opined that frustration and persistent friction with their managers or other crew members are some of the reasons why most workers leave an organization and identified mentoring, well equipped safety atmosphere, perceptions of organizational stability, potential and likely roles, encouragement, acknowledgment and competitive compensation as the important variables that influences retention of employee.

Relationship between Fraud Management Strategies and Organizational Success:

Businesses organisations require shareholders to put their resources in a business that will return the desired profits (Ozigbo and Orife, 2011). This is made possible by the fact that these resources together with the yield in returns would be protected under the adherence of the principle of good corporate governance called fraud management strategy (Ozigbo and Orife, 2011). Fraud management strategy has been defined as the type of organizational controls on fraud and misconducts risks that uses bureaucracy, punitive measures, incentive alignment, lawful sanctions, societal sanctions, vigilance, self-control and corrective measures (Lange 2008 cited in Gray et al., 2011). Ratrihsingam (2005) cited in Ozigbo and Orife (2011) highlighted in one of the findings the importance of creating and harmonizing strong institutional structures that can mitigate fraud risk. Therefore, the question one may ask is: Does the success of business organization depend on their fraud management strategy?

To address the dependence of organizational success on process controls, Studies assert that the capacity of the organization for identifying, recruiting and retaining high quality and competent employees is imperative to organizational competitive advantage. (Delery & Shaw, 2001); this is as several research endeavours also emphasize on the relevance of effective and efficient Human Resources practices as being necessary for the achievement of improved firm performance and success (Boselie, Dietz & Boon, 2005). Drawing from the extant empirical work above, it is understandable that organizational success has a relationship with fraud management strategy. Put different, the research studies showed that organizational success depends on fraud management strategy. For instance, the research study by Zatzick & Iverson (2006) pointedly explained the significant relationship between efficient managerial practices and organizational success measures amongst which are innovation, employee job security, staff working conditions, compensation, profitability, growth and IT process control system.

3. METHODOLOGY

Research Design:

This study as a quasi-experimental design, is descriptive in nature and adopts the cross-sectional survey method in its investigation of the study variables (fraud management strategies and organizational success) with a predominantly quantitative methodology; hence variables and their measurements are quantified through descriptive and inferential tools and conclusions as well as generalizations to be drawn based on the observed description and outcomes of such quantifications (Sekaran, 2003, Kothari, 2004).

Population of the Study:

The target population of this study comprises of four (4) manufacturing firms in Rivers State. A total of thirty one manufacturing firms are identified as posted on the web portal of the Manufacturers Association of Nigeria (MAN) Rivers State chapter. Due to the difficulty of conducting a meaningful study on the target population such as the geographical spread of the firms, the researcher decided to restrict the study to an accessible portion of the population using the purposive sampling technique. Purposive sampling technique was used as the researcher chose the sample based on the precepts of judgement. Hence, the accessible population is purposively selected to comprise of the food, drinks manufacturing firms that are located in Port Harcourt, Rivers State, Nigeria.

Sampling Procedure and Sample Size Determination:

The Taro Yamen's formula (1967) for sample size determination was used by the researcher to determine the samples size for this study. The researcher adopted the 95 percent confidence interval (implying a 0.05 level of significance). The sample size for this study therefore consists of 172 management staff including supervisors from both factory and depots of the manufacturing firms in Port Harcourt. For this study, n = 172 and N = 302.

4. DATA COLLECTION METHOD

The data collection method used in this study is the primary data collection method. Primary data were obtained from the respondents through the administration of well-structured questionnaire. The questionnaire method is used because it is considered to be cost effective and time saving. Also it allows respondents to answer questions thoughtfully and seek explanation for questions that are not clear in the set of the questionnaire (Asika 2010).

Concise and unambiguously structured questionnaire responding to the research topic were designed to aid the researcher elicit the regular information. The questionnaire were structured using the 5- point Liker scale for ordinal measures ranging from strongly Agree (SA), Agree (A), Undecided (U), Disagree (D) and Strongly Disagree (SD). Relevant questions contained in the questionnaire and fashioned to get information about fraud management strategies and organizational success of selected manufactory firms in Nigeria. The questionnaire are structured to cover the following sections, namely section A = Demographic data, section B = process controls, section C = Periodic Audit, section D = Employee retention, section E = Employee satisfaction. Each part consists of five questions with five different options in line with Likert scale of ordinal measurement of strongly agree =5, agree =4, undecided =3, disagree=2 and strongly disagree =1. To ensure a higher percentage of return of the questionnaire, the researcher personally administered and retrieved each after completion.

Reliability of Research Instrument:

The internal reliability of the research instrument was assessed again by means of Cronbach Alpha Coefficient using the Statistical Package of Social Sciences (SPSS). It is calculated in terms of the average inter-correlations among the items measuring the concept. The closer Cronbach alpha is to 1, the higher the internal consistency reliability. The degree of stability is positively correlated with the degree of reliability, higher degree of stability results in higher degree of reliability, means that the results are repeatable. However, only the items that returns alpha values of 0.7 and above were considered in this study (Sarantakos, 2005).

Operational Measures of Variables:

This study was concerned with two main variables; The predictor variable of study which in this case is considered as an explanatory variable is fraud management strategies, while the criterion variable which is herein considered as the effect variable is organizational success. Both variables are operationalized through the use of dimensions and measures which enable the researcher determine statistical distributions and levels of associations. The variables (predictor and criterion) were also operationally measured as a means to effectively describing manifestations of both using their indicators. **The predictor variable** (fraud management strategies) was measured using two dimensions namely: process controls and periodic audit (The institute of internal auditors, 2007); each dimension is further measured on a 5-item indicator instrument and scaled on a 5-point Likert type scale which ranks responses on a scale of (1) strongly disagree to (6) strongly agree.

The criterion variable (organizational success) was measured using two measures namely: employee retention and employee satisfaction (Issa & Adebola, 2014; Ibrahim, Usman & Bagudu, 2013; Gill, 2006; and Boxall and Macky, 2009); each measure is further measured on a 5-item indicator instrument and scaled on a 5-point Likert type scale which ranks responses on a scale of (1) strongly disagree to (6) strongly agree.

5. DATA RESULTS

The Field Report:

The actual estimated sample size for this study comprised of 172 managers of the main branches of the target companies in Rivers State. Questionnaire hard copies were delivered personally to each company and followed up through calls, texts and email correspondence until the actual date for dead-line which entailed personal visits to the target companies for completed questionnaire hard copy retrieval. Out of a total of 172 (100%) questionnaire copies submitted to the target organizations, only 169 (98%) copies were successfully retrieved. This was as a result of the inability of participants to respond on-time and also as a result of the incidence of their unavailability during the time of the questionnaire retrieval. Furthermore, there was no need for the omission of any case given the 100% validity treatment result obtained from the retrieved questionnaire copies; hence this study adopts 169 as its substantial model and sample for the study given its relative percentage rate of 98%.

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The Descriptive Analysis:

The descriptive analysis assessed the distribution for the demographic data and that of the construct manifest variables using frequency distributions and percentages presented on a contingency table (for the discrete data) as well as mean and standard deviation coefficients (for continuous variables).

Demographic:

Table.1: Descriptive analysis of the demographic distribution of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	102	60.4	60.4	60.4
	Female	67	39.6	39.6	100.0
	Total	169	100.0	100.0	
Qualification	First Degree	94	55.6	55.6	55.6
	Post-Graduate Degree	35	20.7	20.7	76.3
	Professional Certificate	40	23.7	23.7	100.0
	Total	169	100.0	100.0	

Source: survey data, 2016

Univariate:

The predictor variable for the study: fraud management strategies is measured using two dimensions namely: process control (process) and periodic audit (audit). **Process controls**: the analysis on this dimension reveals a summarized mean score of (x) = 3.8746; and a standard deviation coefficient of (s) = .72465. This result implies a substantial level of agreement and support with respect to the evidence and practice of process control within the target organizations. Participants on the average herein affirm to activities within the organization which reflect the practice of process control as a form of fraud management within their respective organizations. **Periodic Audits:** the analysis on the distribution of the variable; periodic audit; reveals that most of the participants agree to activities and practices which are indicative of a periodic audit within their organization. This is evidenced from the mean score of (x) = 3.9751 and standard deviation coefficient of (s) = 1.06597 implying an average level of agreement to the indicators of the variable as experienced and observed by the participants in their respective organizations.

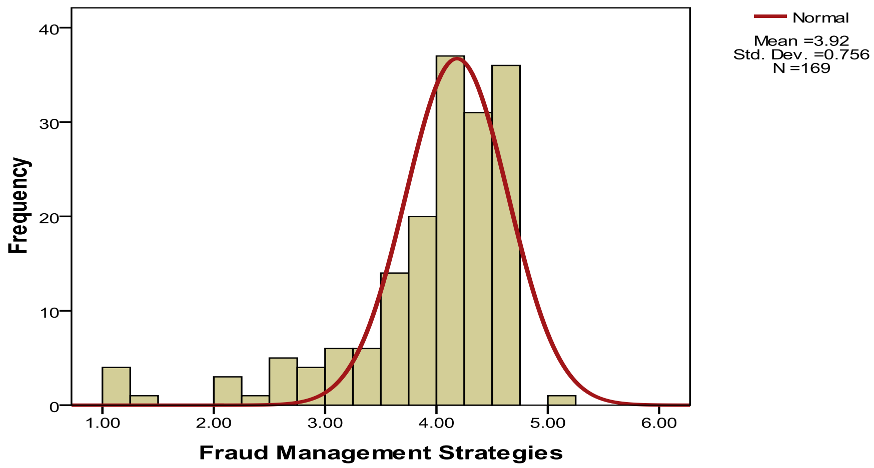

Figure.2: Distribution for fraud management strategies

The criterion variable for the study: organizational success is measured using two measures comprising: employee retention (retention) and employee satisfaction (satisfaction). **Employee retention:** this variable is revealed to be significant within the target organizations based on the responses of the participants. This is as the mean and standard coefficients both reveal average levels of agreement and low dispersion, respectively, to the presence and experience of the variable within the organization. This is evidenced from a mean of (x) = 3.8923 and a standard deviation of (s) = .85328, implying substantial and significant support and acceptance of the statements posed by the indicators of the variable. **Employee satisfaction**: this variable is revealed to be appreciated and experienced by the participants within the target organizations given their average responses to the indicators of the construct. This is also emphasized by the high mean and low standard deviation coefficients illustrated on the table where mean (x) = 3.9266 and standard deviation (s) = .62778.

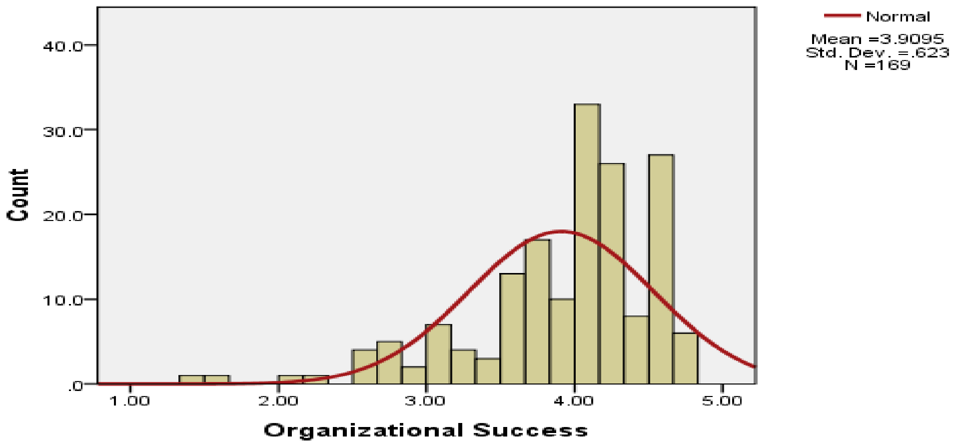

Figure.3: Distribution for organizational success

The Correlation Analysis:

The correlation analysis comprised of the assessment of association, namely: the bivariate relationship – in which four hypotheses with assumptions of bivariate relations are tested. The assessments of all hypothetical statements are carried out at a 95% confidence interval, which implies a 0.05 level of significance.

The tests for bivariate relationships are carried out using the Spearman's rank order correlation coefficient. The results are presented in table 4.8 below

Table.2: bivariate hypotheses of association between variables

			Process	Audit	Retention	Satisfaction
Spearman's rho	Process	Correlation Coefficient	1.000	.216**	.211*	.842**
		Sig. (2-tailed)	.	.005	.007	.000
		N	169	169	169	169
	Audit	Correlation Coefficient	.216**	1.000	.526**	.342**
		Sig. (2-tailed)	.005	.	.000	.000
		N	169	169	169	169
	Retention	Correlation Coefficient	.211*	.526**	1.000	.375**
		Sig. (2-tailed)	.117	.000	.	.000
		N	169	169	169	169
	Satisfaction	Correlation Coefficient	.842**	.342**	.375**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	169	169	169	169

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

The results of the analysis reveal a significant relationship between the dimensions of fraud management strategies and organizational success. The data reveals that both dimensions of fraud management strategies (process control and periodic audit) significant correlate with the measures of organizational success (employee retention and employee satisfaction). This is as the relationship between process control and employee retention is significant at (rho) = .211 where $P < 0.05$ and the relationship between process control and employee satisfaction is significant at (rho) = .842 where $P < 0.05$. Given the lack of evidence for accepting the null hypotheses of significant relationships as assumed in hypotheses one and two (HO_1 and HO_2), the null hypotheses is considered false and rejected. The relationship between periodic audit and employee retention is also significant at (rho) = .526 where $P < 0.05$ and the relationship between periodic audit and employee satisfaction is considered significant at a (rho) = .342 where $P < 0.05$. Therefore the hypotheses three and four (HO3 and HO4) are also rejected based on the insufficiency of statistical evidence to accept them.

6. DISCUSSION OF THE FINDINGS

The previous section in this chapter presented the results for the analysis on the relationship between fraud management strategies and organizational success. The results on the univariate analysis revealed a substantial level of affirmation by respondents as regards their experiences of practices reflective of fraud management strategies within their various organizations. This is as the results reveal high central tendencies in favour of observations in support of the existence of both constructs under investigation (predictor) within the target organizations, which offers further support for the possibility of relative outcomes in the criterion – organizational success, which can be explained by changes in the predictor – fraud management strategies.

A total of four hypotheses were postulated and tested accordingly with results indicating significant relations between the dimensions of fraud management strategies (process control and periodic audit) and the measures of organizational success (employee retention and employee satisfaction). The findings of the study, especially as it relates to the relationship between fraud management practices and organizational success, is in line with the findings of Delery and shaw (2001) who observed that the success of most organizations was hinged on features such as process control and monitoring especially in terms of recruitment, selection and training and retaining of knowledgeable and skilled staff. This is as such activities are most often observed to further serve as advantages in terms of product, process and marketing innovativeness for the organization.

The implications of these findings are that a more fraud-preventive and management oriented organization would be in a better position for adopting effective financial and behavioural control measures which would in the long run provide sustainable practices and tendencies for the survival of the organization. Gary et al., (2011) observed that organizations which consistently and periodically ascertain the state and nature of their assets, human and material, as well as their financial performance through auditing, would be well disposed to change circumstances and events and would thus be able to navigate through various industry-related challenges. A major observation in this study is its revelation of inherent practices and experiences of retention and satisfaction within the target organizations which corresponds with the prevailing fraud management strategies which are practiced within these organizations in terms of periodic audit and process controls.

7. CONCLUSIONS AND RECOMMENDATIONS

This study examined the association between fraud management practices and organizational success in manufacturing firms located in Rivers State. Given the identified issues and challenges in terms of organizational failures, poor performances and poor levels of productivity and consistency in organizational operations; occurring as a result of staff turnover, poor work attitudes and a general sense of dissatisfaction (Issa & Adebola, 2014; Ibrahim, Usman & Bagudu, 2013); the investigation of the relationship between the variables followed a structure of four research questions and four null hypothetical statements all based on a conceptual framework which defined the operational dimensions and measures of the study variables as well as the relative unidirectional flow of effect from the predictor variable (fraud management strategies) unto the criterion variable (organizational success).

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All four null hypotheses were rejected given the insufficiency of statistical evidence to support their claims of non-significant associations between the study variables. The findings thus revealed significant levels of retention and satisfaction of employees in the target organizations and also revealed significant correlations between fraud management strategies and organizational success. The findings of this study with regards to the relative effect of fraud management strategies on organizational success are corroborated by those of Gary et. al (2011) as well as delery and shaw (2001) and serve to illustrate the strategic role fraud management practices and its related activities contribute to enhancing employee perceptions of organizational sustainability and performance, thereby facilitating retention and satisfaction and thus necessitating organizational success.

8. RECOMMENDATIONS

The study, as a result of its assertions as regards the relationship between fraud management strategies and organizational success, thus recommends as follows:

i. Organizations should endeavour to standardize, maintain and constantly upgrade their process control practices and activities in line with current global events and incidences. This is as such standardization and upgrades would enable management to effectively maintain employee trust and confidence in its competency and capacity to face uncertainty, manage its systems, and carry out sustainable operations.

ii. Organizations should on a consistent basis emphasize on the periodic audit and appraisal of their financial records, return on investments and expenditure. This recommendation is based on the findings which tie periodic audit to organizational success through activities geared towards consistent feedback and appraisal of the financial performance of the organization.

iii. Organizations imbibe a culture of constantly evaluating and monitoring their operations and financial activities through process control and periodic audit. That these activities should be ingrained into the statutes and formalities of the organization in such a way that they provide a platform and framework within which issues related to finance and the use or applications of other forms of resources within the organization are effectively and efficiently tackled.

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