FINANCIAL INTELLIGENCE AND WHITE COLLAR CRIME IN RETAIL SECTOR, A CASE OF OK, ZIMBABWE

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A RESEARCH PROPOSAL SUBMITTED TO BINDURA UNIVERSITY OF SCIENCE EDUCATION (BUSE), FACULTY OF COMMERCE, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCIAL INTELLIGENCE

BINDURA, ZIMBABWE

MARCH 2019
RELEASE FORM

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Degree : Bachelor of Commerce Honour Degree in Financial Intelligence
Year Submitted : 2019

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DECLARATION

I Mhenzi Pamela Liliosa B1542868 declare that this research project as my own work and have not been copied or taken any source without the acknowledgement of the source.

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Date .............................................
The research was concerned on financial intelligence and white collar crime in retail sector, A case of OK Zimbabwe Bindura branch. The purpose of the research was to identify various forms of white collar crime that occur in retail organisations, determine the root causes, and outline the probable effects of white collar crime, the effectiveness of FI in reducing white collar crime in retail organisations and possible measures to control white collar crime. A descriptive research methodology was used making use of both quantitative and qualitative methods of collecting data. Questionnaires and interviews were distributed and conducted to a sample of 25 individuals out of 40 employees of OK Zimbabwe Bindura branch. Random sampling method was used to select respondents from OK Zimbabwe Bindura branch. The study found out that fraud, misappropriation of assets, procurement fraud, theft, bribery, embezzlement, falsifying of claims of received or offered services where the most prevalent forms of white collar crime in retail organisations. The causes such as weak control systems, greediness, financial and economic pressures, lack of accountability, corporate culture, peer support, lack of reporting, inadequate remunerations, and the thought of the idea that everybody is doing it within and outside the organisation. The respondents highlighted that white collar crime negatively affect retail organisations as it results in loss of resources, damages organisational reputation, reduced productivity and loss of revenues. The research found out that financial intelligence is not effective in reducing white collar crime due to reason beyond their control because the management failed to cooperate, they do not disclose information about the organisation. White collar crime have negative effects on retail organisations and financial intelligence is not contributing in reducing white collar crime in retail organisation. The study recommended that retail organisations should make use of various strategies, policies and procedures aimed at white collar crime prevention and detection. The strategies, policies, procedures include whistle blowing, internal controls, segregation of duties, auditing, fraud publicity, surprise audits, background screening and checks, fraud and risk assessment programs, employees training and use of codes of ethics or conducts within retail organisations.
ACKNOWLEDGEMENTS

This dissertation would be unfinished without giving thanks to the Almighty living God for his control in the process of achieving this work. My truthful appreciation is extended to my supervisor Ms N.Gopo for this professional tutorship, support and patience which made my research project a success. My heartfelt gratitude also goes to my parents and siblings with the gigantic support they gave and financial support during the course of this study.

I also want to thank everybody in the Intelligence Department at Bindura University of Science Education for all the support they provided. My special thanks goes to my friends Tino, Lynette, Antony and Rodney for believing in me even when I stopped believing in myself

~ May God bless you all ~
DEDICATION

Psalms 23 verse 1 ‘the Lord is my shepherd; I shall not want.’

Jeremiah 29 verse 11 (King James Version) – ‘For I know the thoughts that I think toward you, saith the LORD thoughts of peace, and not of evil, to give you an expected end.’

This study is dedicated to my parents Mr and Mrs Mhenzi, my brother Tafara Mhenzi and two sisters Petronella and Pride Mhenzi. This project was meant to kindle hardworking in you. I challenge you to exceed these achievements. You have my blessings, God will guide you.

~ Pamela ~
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Abbreviations

FI........................................Financial intelligence
WCC........................................White collar crime
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CHAPTER I

INTRODUCTION

1.0 Introduction

White collar crime has become one of the greatest threats to the world economy. There are many types of white collar crime such as fraud, embezzlement, among others. It affects small retail shops and ultimately the wider public who indirectly pay for private benefit. Combating white collar crime in retail sector has and will always prove to be a long and difficult task that requires skills and resources of financial intelligence investigators. Since white collar crime is a broad term the researcher is going to focus on fraud as it is an example of white collar crime. White collar crime such as fraud, theft and corruption occur within business companies (Acquaah Gaisie 200, Tonner 2004) In this chapter, the researcher will outline the background of the study, the statement of the problem, research objectives, research questions, and significance of the study, assumptions, delimitations, limitations, and definition of terms and also the summary of chapter.

1.1 Background of the study

Sutherland (1939) viewed white collar crime as a crime committed by persons of high respectability or who occupy high social statuses. The idea came from a Sociologist called Edwin Sutherland as he tried to distinguish crimes committed by persons of low and high social statuses. In this case, he tried to express that poverty or other social conditions were not the causes if crimes had been committed by a person of respectability. Sutherland believed that these crimes were rarely prosecuted in courts because businessman and other high officials were able to influence the legislation. White collar crime came as a critic to crimes studied that only involved the weak and deprived neglecting those in powerful positions. The rise in attention to focus more on white collar crime came around the 1970s. There were high researches on white collar crimes and prosecutors gave high priority to it as compared to the past. By this, they targeted businessman, politicians, persons involved in embezzlement, fraud and bribery. This exposed a number of crimes that had been committed by persons of high respectability making white collar crime an issue of serious concern. White collar crime gained
popularity among researchers, as scholars such as Susan Shapiro, Herbert Edelherts, and Mitchell Rothman (2007) began to unpack and research more on this type of crime. The retail sector constitutes the bedrock of any economy in Zimbabwe. Among the Zimbabwean industrial sectors today, one can say that the retail industry is the most visible and arouses the most public interest and as a source of money. The importance of the retail sector in any economy is that it also contributes to the country’s gross domestic product. It can also be used in statistic when calculating living standards of people in the country by measuring their capital gain.

White collar crime have impacts in retail sector internationally, regionally and locally for example the case of the 2002 National Retail Security Survey Final Report (University of Florida, Gainesville, FL, 2003), an annual survey of retail theft prepared for the National Retail Federation, authors Richard C. Hollinger, Ph.D., and Jason L. Davis found that the average retail store surveyed in 2002 lost about 1.7 percent of its inventory to shrinkage (the industry term for the difference between the recorded value of inventory bought and sold and the value of the actual inventory at the end of the year). The shrinkage rate in 2002 was down from the 2001 rate of 1.8 percent. This was due to shoplifting, employee theft and administrative error or vendor fraud lead to collapse of the national retail federation.

Regionally in South Africa former electronics shop tycoon Kay Makan whose business have shut down after being robbed by a financial clerk. This was employee theft as another form of white collar crime in retail sector. The incidence of fraud is neither limited to the retail industry nor peculiar to Zimbabwean economy alone, the high rate of fraud within the retail industry in the country today, calls for urgent attention with a view to find solutions before the industry’s image collapse. It is the thrust of this study to access the ability of the financial intelligence in Zimbabwe to effectively manage white collar crime in retail industry.

The OK Zimbabwe, is a company duly incorporated in terms of the laws of Zimbabwe. It is a major player in the retail sector and for a number of years has conducted what has come to be known as the “OK Grand Challenge Promotion.” That promotion provides an opportunity for a number of its customers to win various items, such as motor vehicles, residential stands and electrical goods.

1.2 Statement of the problem

The rise in white collar crimes in the world has negatively impacted on the retail sector. Crimes such as fraud, bribery, corruption and embezzlement of funds have been at the forefront of the
retailing sector affecting the socio-economic and political issues and derailing progress in the industry. People committing such crimes are of high social statuses and sometimes are not prosecuted by the law. Due to white collar crime that has emanated in retail sector the researcher took the research of financial intelligence and white collar crime in the retail sector a case of OK Zimbabwe. This has increased the prevalence of this type of a crime denying economic prosperity in the country. It has become a problem as it has led to death in industry production, chasing away investment from foreigners as well as leading to this economic recession. It has also become the order of the day as those high status people remain immune to the justice system robbing the legitimacy of the existing government.

1.3 Research Objectives
i. To determine the effects of white collar crime on the performance of OK Zimbabwe
ii. To identify the causes of white collar crime in the retail sector at OK Zimbabwe
iii. To determine the effectiveness of financial intelligence in reducing white collar crime in retail sector at OK Zimbabwe
iv. To determine measures which can used to control white collar crime in retail sector

1.4 Research Questions
The research questions for this study are as follows;

i. What are the effects of white collar crime on the performance of Zimbabwe
ii. What are the causes of white collar crime at OK Zimbabwe
iii. How effective is financial intelligence in reducing white collar crime.
iv. What measures that can be used to control white collar crime in retail sector

1.5 Assumptions of the study
i. There is a high prevalence White collar crime in the retail sector.
ii. Financial Intelligence is ineffective in reducing white collar crimes
iii. Offenders or suspects of white collar crimes are not being prosecuted due to corruption and bribery.
1.6 Significance of the study

Denscombe (2002) put forward the relevance of a research in terms of contributing to existing knowledge, solving practical needs and being of relevance to current issues. This study aim at the effectiveness of financial intelligence in reducing white collar crime in retail sector.

To the nation

Empirically through many researches on crimes, it has been proven that theory informs policy makers. This research helps the government of Zimbabwe and the regulatory authority in coining policies to enhance full policies and procedures to deter, prevent and effectively curb white collar crime in retail sector.

To the OK Supermarket

It can use this information in making ways to prevent and control white collar crime so that it will be able to implement measures. The OK will use the findings to see if financial intelligence is an asset in achieving business expansion and success as it helps in reducing white collar crime. Findings and recommendations from the research shall be made available to the management of the organisation under study this helps them to evaluate the use of financial intelligence and its contribution on the success of the business. The body of knowledge added can assist in improving operations of supermarkets and creating a good base on which managers identifies challenges and make early decisions towards the organisation’s success. The manager will have knowledge on how to curb white collar crime at the organization.

To the researcher

The study is significant as it is undertaken in partial fulfilment to the requirements of the Bachelor of commerce (honors) degree in Financial Intelligence offered at Bindura University. Having carried out this research, I gained experience on carrying out a detailed research hence it serves as a good foundation for future work.

To the general public

This research project seek to serve as an awareness to the general public on what is white collar crime, the kind of criminal actions that are under the term and how financial intelligence fight it as many people lose their property and money. It improves service delivery to the customers, the general public also be aware of white collar crime, they are able to detect if an act occurred. This leads to reliable services to the general public.
1.7 Delimitations of the study

The study is confined on the effectiveness of financial intelligence and white collar crime in the retail sector a case of OK Zimbabwe. The study will confine to OK Zimbabwe Bindura branch is going to be the only target sample as the representation of the whole population. The period of study is from August 2018 to April 2019.

1.8 Limitations of the study

Restricted access to information – the researcher did not get all the needed information due to confidentiality and sensitivity hence the scope of research was limited. The researcher overcome this by reading articles written by other people.

Limited resources- lack of sufficient resources also deter the researcher from gathering primary and secondary data. This is so because the researcher uses the internet, newspapers, reports, some government publications and many other relevant sources.

1.9 Definitions of key terms to be used in this study

Financial intelligence – is the gathering of information about the financial affairs of entities of interest to understand their nature and capabilities and predict their intention (Zegaris 2010)

White Collar Crime - Sutherland (1983) defines white collar crime as a crime committed by a person of respectability and high social status in the course of his occupation for example embezzlement and fraud.

Retail sector –is the part of a country’s economy that is made up of business that sells goods through stores to the public or on the internet.

1.10 Chapter summary

The above chapter had been looking at the background of the study, statement of the problem, objectives of the study, research questions to be used, assumptions guiding the study, significance of the study, delimitation, limitations and definition of terms in this chapter.
CHAPTER II

LITERATURE REVIEW

2.0 Introduction
This chapter looked at theoretical literature and empirical evidence in relation to the topic under study. It also focused on reviewing different types of white-collar crime that are prevalent in retail sector and measures that can be taken in place to reduce white collar crime.

2.1 Conceptual frame work
2.1.1 White collar defined
Sutherland (1949) defines white collar crime as a crime committed by a person of respectability and high social status in the course of their occupation. These crimes are usually violations of trust or misrepresentations placed in the person (or the corporation, for that matter) by virtue of his occupational norms and high position in the society Sutherland (1940).
Silverstone and Sheetz (2007) state that white collar crime involves intentional deception by employees, management, vendors and customers to obtain money or other assets or services from a business. Some of these frauds are perpetrated by individuals and some in collusion across the management-employment social boundaries or between insiders and outsiders. Pasco (2009) agrees with Silverstone and Sheets in that white-collar crime requires deception but adds planning and organisation. The planning or premeditation of the crime can be simple or complex.

2.2 Institutional causes of white-collar crime
2.2.1 Poor internal controls
Silverstone and Sheets (2007) noted that, generally poor internal controls in the retail sector may be regarded as one of the major causes of white-collar crime and are manifested through inadequate supervision and surprise audits to management and employees. In most occasions managers with fraudulent tendencies who are not well audited would get the feeling that the environment is safe for the perpetration of committing crimes.

Inexperienced Personnel
Benson and Edwards (2006) examine those inexperienced personnel maybe also susceptible to committing unintentional crimes like fraud by falling for numerous tricks of say, external fraudsters and even fraudulent bank employees. Inexperienced personnel are unlikely to notice
any fraud attempts and take necessary precautionary measures to checkmate the fraudster or set the detection process in motion.

**Lack of Job rotation**

Generally, the longer an employee stays on a job, the more skillful he is likely thought to become, here is an argument suggesting an operator who has spent so long on a particular job may be encouraged to think that no one else can uncover his crime for example, fraud( Pasco2009). This often happens when employees due to performing the same job over a long period initiate procedure to avoid stated internal controls and procedures of the organization to facilitate perpetration of fraud against the company. The existence of this kind of situation in a company is clear evidence of poor executive and such situations encourage fraudulent practices in retail sector.

**Poor working conditions**

Adeyemo (2012) asserts that poor salaries and poor conditions of service may also have the probability to cause and encourage fraud in retail sector. Employees who are poorly paid are often tempted to fraudulently change some of the employers’ duties to their own use in order to meet their individual and social needs. This temptation is stronger on till operators who on daily basis have to deal with cash and near cash instruments. When staff feels that they are not fully payed in terms of promotion and other financial rewards, they become frustrated and such frustration could lead them to commit crime so as to compensate himself in his own way (Nweze, 2008).

**Lack of accountability**

Accountability is a concept generally understood as integrity, fairness and responsibility (Painter, 2006). In management sciences, the term accountability is described as a state of affairs where an individual is eventually liable for his/her action good or bad and will have to suffer the consequences of his/her action. Generally, people commit fewer crimes in their different workstations when they are held fully accountable for their actions within the organisations. Typically, people with high social status are likely to commit white collar crimes without any concern of answerability (Weisburd and Waring, 2001)
2.3 Effects of white collar crime

Crime not only leads to material and immaterial costs for those who have become victimized, but also forces firms in retail sector to spend resources on the prevention, detection, prosecution and punishment of criminals for instance in Netherlands, the costs of crime are estimated to be 20.2 billion euro in 2005 (De kosten van, 2007).

Loss of resources

Illegal, unethical, irresponsible employee’s behaviour must be seen as a composite behaviour which damages the core of organisations which is to make profit (Blount, 2009). White collar crime have negative impact on the firm’s profits as resources are lost due to its occurrence in the firm and it places additional expenses on upgrade on internal systems and procedures.

Reputational damage

White collar damages organisational reputation as it exposes bad events that have occurred in the firm which result in loss of confidence and integrity of the institution. Interests of different stakeholders are summoned when threats arise and it may harm their potential and interests in doing business with the organisation. Fraud is often reported because of the damage it causes to the image of the defrauded organisation (Mabika, 2015).

Loss of revenue

Mabika (2015) explored that, once the business has been compromised by such crimes it would not be easy to run the business because the funds are already affected. Due to fraud or corruption that can occur in the organization, this can lead to closure as it cannot meet its demands. For example, parastals like National Railways of Zimbabwe has closed due to corruption.

Reduced production

Accountability is a concept generally understood as integrity, fairness and responsibility (Painter, 2006). In management sciences, the term accountability is described as a state of affairs where an individual is eventually liable for his/her action good or bad and will have to suffer the consequences of his/her action. Generally, people commit fewer crimes in their different workstations when they are held fully accountable for their actions within the organisations. Typically, people with high social status are likely to commit white collar crimes without any concern of answerability (Weisburd and Waring, 2001)
2.4 Theoretical framework

The rational choice theory

Rational choice theory refers to a framework for properly moulding and understanding both economic and social aspects of human behaviour (Allingham, 2006). Rational choice theory involves using cost-effective methods to attain a goal without analyzing the value of the goal (Blickle, 2006). In relation to crime this theory assumes that criminals make rational decisions to commit a crime by reviewing all possibilities and outcomes and the choice taken will be based on the benefits these crime offenders seek to find from committing crime (Blickle, 2006). However, crime offenders consider the chances of imprisonment and consciously decide to commit the intended crime. People who commit white collar crimes consider all the chances and choose to siphon from their areas of occupation at intervals. Rational choice theory has some links to the actions, assumptions and preferences of an individual. The basic idea behind the theory is that behavioural patterns in a society indicates the decision made by people as they attempt to optimize benefits and reduces costs. In other words, white collar offenders make choices on how they should commit the crime by measuring benefits against the cost of their action (Archer and Tritter, 2000).

General strain theory

The final motivational sociological theory is the general strain theory. Strain theory claims that societal norms affect individual’s aspirations for things like material goods and other indicators of success (Zahra et al, 2005). Individuals who are unable to achieve their aspirations by conventional means experience strain and may seek to relieve this strain by using deviant means to achieve their desired ends (Zahra et al, 2005). Some companies may find themselves in a strong push for profits and therefore may overcharge or cut costs and they might not achieve those targets conventionally. Likewise, individuals may have to use unconventional or illegal means in order to achieve certain status or amount of wealth. Two major categories for the type of strains which are monetary and status related strains. Economic strains can be both on individualistic or corporate level with many convicted offenders claiming that they either were motivated by the pursuit of profits or had the social pressure to prevent losses (Agnew, 2009).
2.5 Control Activities

Control activities are the policies and procedures that help to ensure management directives are being carried out. They help ensure that necessary movements are taken to address risks to achieve the entity’s objectives. Control activities occur all over the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties (Higgins 2012).

Generally, there are some control activities which can be used in retail sector so as to reduce white collar crime in retail sector, these include proper authorization processes, segregation of duties, physical controls over assets and records and independent internal checks. (COSO 1992)

Puttick etal (2003) asserts that the basic idea underlying segregation of duties is that no employee or group should be in a position to commit systemic errors or fraud in the normal course of duties. Segregating duties is an effective deterrence against occupational white-collar crime, especially if combined with rotation of those duties. Including other people in functions makes collusion necessary, or makes white collar crime more difficult to commit alone. Having to include or bypass another person in order to commit white collar crime should deter most would-be criminals. This policy increases the perception of detection, the belief that you will be caught, and reduces the opportunity to commit white collar crime.

Physical control over assets and records entails the physical custody of assets and involves procedures designed to limit access to authorized personnel only. Physical security in retail sector setup should not only involve protecting assets from third parties but it also includes protecting assets from employees. Examples of physical controls that organizations in retail sector may often employ are maintaining an asset register of all physical assets, maintaining regular backups of all electronic information for example tills, separate recording and handling duties involving assets other than stock, restricting access to physical assets to employees with proper authorization, restricting access to records to employees with proper authorization and a need to access them and use a system of passwords to restrict access to the computer system and install access logs and audit trails to record entries into the system. (Millichamp; 2004)
Millichamp (2004) asserts that independent internal checks are done on transactions to ensure that transactions are being done with the proper authority, are being recorded properly, and are accurate. It is important for organizations in retail sector to conduct peer audits with employees from outside as the influence of the people being checked ensure independence. Job rotation also reduces the chances of collusion developing between the criminal and the person checking the transactions.

Association of Certified Fraud Examiners (2006) recommended auditing as a measure to detect and prevent white collar crime in retail sector. The functions of an auditor must include prevention and detection white collar crime. The organisation must engage work with external auditors to examine and evaluate the adequacy and effectiveness of the organisations internal control, policies and procedures.

Powell (2011) describes lifestyle audits as critical management tools used by forensic auditors and management in companies to describe the tests that are performed to determine if lifestyle of an employee is commensurate with his/her known income. It is a useful tool during fraud investigations when there is a suspicion of fraud, as the employer has detailed knowledge of the remuneration which they pay to the employee but often management will not have rudimentary knowledge of the staff member’s lifestyle.

2.6 Empirical evidence

Causes of white collar crime

Samuel Wei-Siew Liew et al (2011) carried a study on white collar crime focusing on a statistical study on its common causes in Malaysia. Surveys and questionnaires were distributed to both potential and existing investors to assess their views regarding the matter. The study found out that, one of the leading causes of white collar crime in Malaysia was due to a belief that competitors where paying bribes to win prizes or lottery and other perpetrators were just imitating others. The study curtailed that most perpetrators engaged in white collar crime because of the vast opportunistic moments that existed before them. The study then suggested that companies should gear towards good governance structure and internal controls so as to not provide chances or opportunities for potential offenders to any form of crime within the firm. However, here in Zimbabwe it can be complicated to solve those issues as the top management is involved in such activities and they get and accept bribes. This is due to economic crisis in the country people are not meeting their needs and wants so they find ways to get extra money.
Holding a high-trust position that provides power and influence may, for example, make (some) individuals feel they are less dependent on others, increasing the likelihood of rule-violating behaviour and cause them to commit white collar crime, both inside and outside the work environment. Hirschi and Gottfredson (1987) suggest that selection mechanisms hold back individuals with a propensity to violate rules because such individuals do not have the level of self-control necessary to advance upward through the organizational hierarchy and reach high-trust organizational positions, making a tendency for rule-violating behaviour among those in these positions less likely. However they didn’t consider lack of job rotation and poor working conditions which are also causes of white collar crime.

**Effects of white collar crime**

Saul Rosen (2016) states that nearly any business can be affected by white collar crime. Sometimes, the crimes aren’t noticed for several reasons, but they can go on for years without the proper supervision. This can cost the company a lot of money or, in extreme circumstances, be enough to put them out of business for good. However S Rosen didn’t consider type of business and sector mostly affected business organization which mostly affected by white collar crime are those in private sector than those in public sector.

Zagaris (2010:504) also reported that one dynamic of international white-collar crime is that economic crime reacts to systemic economic changes that are caused by new combinations of productive factors such as the combination of banking and computers, which have led to internet banking and online gambling. These new developments have opened up new opportunities for criminals to gain access to people’s money via, for example, “phishing scams”. He also added that phishing is when a criminal attempt to acquire sensitive information such as passwords or credit card details through email or instant messaging by pretending to be a legitimate business representative.

Crime not only leads to material and immaterial costs for those who have become victimized, but also forces firms in retail sector to spend resources on the prevention, detection, prosecution and punishment of criminals for instance in Netherlands, the costs of crime are estimated to be 20.2 billion euro in 2005 (De kosten van, 2007). This leads to loss of revenue or collapse of the organisation.

**Effectiveness on the prevention of white collar crime**
A study carried out by Sajid Bashir et al, (2011) focused on antecedents of white collar crime in organisations. In their study they focused on reviewing the literature of white collar crimes, identify factors which determine white collar crimes in public sector organisations and help review the importance of white collar crime in today’s public sector organisations. The literature suggests that major causes of prevalence of white collar crimes are peer support, corporate culture, lack of accountability and lack of reporting. From their study they concluded that an employee who is aware of the unlawful activity that is being carried out in the organisation can respond to it either by blackmailing or whistle blowing the offender (Macey, 2007). Extensive reporting of the wrongdoing might not be of any benefit for the organisation and it might be harmful for the company and the reporter (Near and Miceli, 1995). Trevino and Victor, (1992) identified two ways through which peer reporting can be done for effective organisation performance which is either adopt whistle blowing behaviour or group norm enforcement processes. However, taking into consideration in Zimbabwe blackmailing or whistle blowing is not allowed if one do so he/ she will be chased away from the organisation. This is so because in developing countries they don’t believe in whistle blowing and blackmailing.

Montgomery et al (2008) did a research on computer technology as a fraud management technique. The study uses primary data solicited from commercial banks and through the administered of structured questionnaires. Computer technology brings a host of tools to help prevent fraud as another form of white collar crime. Changes such as the switch from manual controls to automated controls require no significant revamping of systems. Companies can implement new technologies, such as data mining, to make material differences in a company’s fraud prevention efforts. The major credit card issuers use data mining techniques to scan purchases for potentially fraudulent activities. If these companies detect unusual patterns, they contact the cardholder to verify that recent transactions are legitimate. His major findings were that the computer technology works in curbing fraud though the computer advancement will also cause an increase in fraudulent activities. As technology costs continue to fall, continuous auditing and other new technologies will provide even more tools to help in fraud detection (Montgomery et al., 2008). However use of computer technology can be successful in developed countries. This is so because it will be difficult to implement in developing countries due to lack of resources and knowledge to use computers.

Petter Gottschalk and Hans Solli-Soether (2012) carried a study on prevention of white-collar crime by knowledge and learning in business organisations using empirical study of chief
The purpose of their research was to generate insights into prevention approaches and practices that may reflect on contingent approach. They used five hundred largest business companies in terms of annual turnover in Norway for their empirical study of white-collar crime. Open ended questions were sent to selected company’s CFO’s and 49 out of 94 responding CFOs in Norway would prevent white collar crime by influencing the organisational culture, value, behavior, leadership and ethics. 45 out 94 responding CFOs emphasized on internal and external control, guidelines and procedures, audits and accounting.

The study was different from this research it has focuses on the prevention of white collar crime while this focuses on causes, effects and effectiveness of white collar crime.

2.7 Gap analysis

Most studies concentrated on how white collar crimes affect business performance but they haven’t utilized the financial intelligence as a detection model. The study of Samuel Wei-Siew Liew et al (2011) was carried out in Malaysia which is more developed than Zimbabwe so it will be difficult as top management are the ones who engage in corrupt activities.

Hirschi and Gottfredson (1987) suggest that selection mechanisms hold back individuals with a propensity to violate rules. They only focused on the violation of rules they didn’t consider the causes of white collar crime which can be lack of job rotation, poor wages, poor working conditions and many others.

Again, Saul Rosen (2016) states that businesses are being affected by white collar crime due to improper supervision. However mostly affected are those in private sector than those in public sector. He didn’t consider the causes of white collar crime.

Sajid Bashir et al, (2011) focused on antecedents of white collar crime in organizations. They talked about blackmailing and whistle blowing as way of curbing white collar crime. However in some countries it is not allowed so white collar crime will be prevailing.

In their study Montgomery et al (2008) they mainly focused on computer technology as a fraud management technique, more so they concentrated on safeguarding the transition from manual controls to automated controls. This study focuses on the causes, effects and effectiveness of financial intelligence in reducing white collar crime.
2.8 Chapter summary

This chapter focused on conceptual framework, causes and effects in retail sector, relevant theories of white collar crime, control activities or measures and empirical evidence and gap analysis. The next chapter is going to look on research methodology going to be used in the study.
CHAPTER 111

RESEARCH METHODOLOGY

3.0 INTRODUCTION

The previous chapter reviewed related literature to the study. The purpose of this chapter is to specify and describe the research methodology used in the study. The chapter outlines the research instruments which were used. The population and the sample which participated in the study shall be described. The sample was selected from employees of OK Bindura. The researcher used questionnaires and interviews. This chapter also explains the administration of the validity and reliability of the findings. The collection and presentation of data was explained.

3.1 Research Design

A descriptive survey was used to gather the data used in the research. Burns and Grove (2003) posit that a research design is a blueprint for conducting a study with maximum central over factors that may interfere with the validity of the findings of the research. Therefore in this research a case study was employed. The descriptive survey method involves describing by means of such instruments as questionnaire and interviews were used.

Thakur (2009) defines descriptive research survey as a type of research method that aims to gain accurate description of the community, institutions or events in a manner that involves minimum bias and maximum reliability. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes data collection. A descriptive survey is preferred because it regularly uses optical aids such as graphs and charts to support the researcher in understanding the data distribution, since the human mind cannot source the full import of a large mass of raw data. It uses both qualitative and quantitative data collection methods.

The descriptive research survey is a good method for conducting the study as it can be used to establish the prevalence, effects as well as the impact of white collar crime phenomena in retail sector thus it provides detailed information. However, the descriptive research requires the researcher to have good analysing skills so as to make well detailed report on collected data. Descriptive research survey was used by the researcher using both qualitative and quantitative methods of data collection. Descriptive research survey was used to describe the relationship
between white collar crime effects and its causes. Freebody (2003) asserts that the descriptive survey research design is concerned with conditions or relationships that exists, practices that prevail, effects that are being felt and trends that are developing.

3.2 Research Approach

In this study a qualitative approach was used. This is a research strategy that emphasises words on of collection and analysis of data (Reason Peter et al, 2010). Qualitative approach was used to produce a formulative project and variables resulted in non-numerical responses and data collected was analysed according to themes related to literature review. Qualitative research studies can provide you with details about human behaviour, emotions and personality characteristics that quantitative studies cannot match. It also takes a form of either some form of naturalistic observation such as ethnography or structured interviews. Qualitative method is time consuming especially on the analysis part and requires training. It uses relatively small numbers of participants and this can mean that is less likely to be taken seriously by other academic researchers (Graffin, 1986).

3.3 Population

Cooper and Schinder (2003:179) postulates that “population is total collection of elements about which we wish to make some inference”. This is the entire group about which information is required. It can be deduced that a population is a group of people who have comma characteristics which are of the researcher’s interest or which the researcher wishes to generalise results. In this case, this research consisted of employees of OK, Bindura as they were the ones involved on the ground. Ok Bindura consisted of the following departments which are finance, marketing, information technology and operations. A population of 40 employees was used in the study.

3.4 Sampling technique

A population element is the subject on which the measurement is being taken. Hence the researcher used a sample of twenty-five people to represent the entire organization. The main reason for sampling according to Cooper and Schindler, (2003) are that it lowers cost, great accuracy of results, greater speed of data collection and the availability of population elements. Therefore for this research, the researcher used stratified random sampling as methods of sampling. A strata of 5 employees in each group was used. The researcher used 40 strips of papers 25 of them were written YES and 15 of the strips were written NO. 40 strips of written
papers in the hat and respondents were to pick 1 paper, those who picked a YES paper were eligible in the study and those with a NO were not eligible to participate. Cooper and Schindler, (2008) established that population can be segregated into several mutually exclusive sub-populations or strata. Once a population has been divided into the appropriate strata, a simple random sample can be taken with each stratum. Thus the sampling results can then be weighted and combined into appropriate population estimates. Stratified random sampling increased the sample statistical efficiency hence providing adequate data for analysing the various sub-populations and also it enables different research methods and procedures to be used in different strata (Cooper and Schindler, 2008).

3.5 Sample size

The sample size comprised of twenty-five members, chosen out of 40 employees of the OK Zimbabwe-Bindura Branch. The sample was believed to be a true and fair representation of the target population since sampling is making a representative of the population from which it was drawn. The sample was believed to be large enough and satisfy the need, to an extend that the researcher was sure that a different sample using the same steps, would yield similar results if the same research is to be repeated. The major advantage with sampling was that there was no bias, meaning that selection was randomly done. Through sampling, the researcher saved time and costs because she did not conduct the whole population.

Table 3.1 showing total population, sample size and percentage

<table>
<thead>
<tr>
<th>Total population</th>
<th>Sample size</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>25</td>
<td>62.5</td>
</tr>
</tbody>
</table>

3.6 Sources of data

3.6.1 Primary data

In this research the information collected constitute the findings obtained through original sources, which are interviews with OK Zimbabwe-Bindura branch staff, observations and questionnaire responses from the employees and dealers. Primary data is information that is obtained directly from first hand sources by means of surveys, observation or experimentation. It is data that has not been previously published and is derived from a new original research
study and collected at the source such as in marketing. Data was collected from senior management accounts clerks, sales representatives, information technology officers and the general workforce. The researcher took consideration of the sample size, target population, sampling techniques, data collection instruments and response rate.

3.6.2 Secondary Sources

Secondary data is information that has already been collected and recorded by someone else usually for other purposes (Cooper and Schindler, 2008). Most organizations collect and store a variety of data to support their operations for example payroll details, copies of letters, minutes of meetings and accounts of sale of goods or services. However information collected through secondary data may be related directly or indirectly related the study issue. Many textbooks in the library, journals, payroll reports and websites on the internet were used by the researcher to get detailed insight into the subject under study. Thus the secondary data was used when reviewing the literature related to the topic understudy. In essence secondary data was used because it is cheap, unobtrusive, data permanence, can result in unforeseen discoveries and can provide comparative and contextual data.

3.7 Research instruments

These are measurement tools for example questionnaires and surveys which are designed to obtain data on a topic of interest from research subjects. They provide information regarding purpose of the instrument, the population addressed and the variables measured. Hence for the purpose of this research the researcher used two research instruments which are questionnaires and interviews.

3.8.1 Questionnaires

It is a form of any enquiry document, which contains a systematically compiled and well organised series of questions, intended to extract information from respondents which provide insight into the nature of the problem under study (Wegner, 1993). Questionnaires were distributed to a target group who are OK, Bindura branch employees.

The researcher physically distributed questionnaires to the research participants and the questionnaires allowed the researcher to guide participants when giving responses to the questionnaire regard to the causes and effects of white collar crime in retail sector.
3.8.1.1 Justification

Questionnaires were used by the researcher as one of the research instrument in gathering information. A questionnaire is practical therefor large amounts of information was collected from a large number of people in a short period of time and in a relatively cost effective way. Furthermore, the researcher used the questionnaire since they can be analysed more scientifically and objectively than any other form of research. The questionnaires allowed respondents to give their own response without being clued thus reliability remains the same. Questionnaires have the freedom of response especially the open ended questionnaires. However the researcher noted with great concern that the questionnaires lack validity as there is no way to measure to what extend is the respondent being truthful. Further concern was on the ambiguity of language may also affect the outcome of the questionnaires.

3.8.2.1 Advantages of questionnaire

Closed ended questions facilitate easy data analysis and presentation of information. They also eliminate interviewer bias since respondents gave their own answers without the researcher influence and the questionnaire can be attended in the absence of the researcher.

Questionnaires provide standardised responses from the respondents which are easy to quantify. The questionnaire helped to shape up the information needed from the respondents as the information was standardized by the closed ended questions on questionnaire.

Much time was saved since the questionnaire were collected the same day they were distributed, thus the respondents were given a time to complete the questions on their free time.

Questionnaires guaranteed respondents anonymity and privacy which encouraged honest answers and they felt honoured to be chosen as the sample population.

Can address a number of matters and enquires of concern in a relatively competent way with a probability of a high response rate. Questionnaires were distributed at OK, Bindura to various employees with many questions that require answers.

Gives respondents time to deliberate their responses carefully without any interference since the researcher leave the employees to fill in the questionnaire and come and collect them when they are done.
They are cost effective. Questionnaire were made available to large number of participants. Questionnaires were distributed in large volumes to OK participants.

They allow anonymity which increases the response rate and may increase the likelihood that responses reflect genuinely held opinions. The questionnaire did not provide for the naming of the respondents thus the participants from OK responded genuinely without fear as their names remained private and confidential.

There is uniformity. Each respondent gets the same set of questions despite their posts within the organisation.

**3.8.2.2 Disadvantages of questionnaires**

They do not allow the researcher to ask follow-up questions to probe a particular answer that was partially stated as the respondents are anonymous.

There is no way to tell how much truthful a responded is being because any OK employee could write anything which might distort the information that the research aimed at gaining.

Target groups were unwilling to answer questions and usually do not the time to fill out the questionnaire provided them.

Participants failed to understand the questions and may interpret the questions differently.

To overcome the limitations of using a questionnaire, the researcher used interviews to gather data which could not be provided by the questionnaire. Clarity on terminology was given by a face to face interview.

**3.9.2 Interviews**

Interviews were used to collect facts of information about the concerned samples for example the senior management, accounts clerks, till operators, information technology officers and the general workers whereby there were asked interview questions such as what do you think are the effects and causes of white collar crime Interviews were done face to face with employees of OK supermarket in Bindura.

**3.9.2.1 Justification**
Interviews played a crucial role in data gathering because they provided a high response rate, interviews also provides an extra time to probe into a response given by the interviewer. In essence the interviews provided detailed information about personal feelings, perceptions and opinions of the respondents. Thus with interviews the respondents own word was recorded whereas ambiguity was classified and incomplete answers followed up. Interviews were free from group influence by other group members since the person is taken on first to face basis or directly over the telephone. Interviews were also used by the researcher because they investigate the issues in an in-depth way, and has helped the researcher to discover how individuals think and feel about the research topic and why they hold certain opinions. However interviews are time consuming and cannot be used for a large number of people thus interviewing a number of people at OK Zimbabwe (Bindura) was tiresome and time consuming.

3.9.3. Advantages of interviews

Interviews provide detailed information needed to explore the nature of the problem under study as they allow respondents to mention their opinions and other information pertaining white collar crime in retail sector. This was encouraged by Freebody (2003) who notes that interviewing is a useful way of collecting qualitative data because the technique is reflective and aloe respondents to report on themselves, their views, their beliefs, practices, interactions, and concerns.

Interviews allow room for supplementary information to be given to the researcher by respondents and questions can be restructured depending on the responses that are being provided. Interviews increase the response rate in circumstances where some employees cannot read and write.

Interviews facilitates open discussions in situations where the need to clarify some terms arise to enhance further understanding of concepts that were brought during the process. It is flexible and adaptable method of data collection. The interviewer can twist questions in order to get more information from the interviewees.

3.9.3.1 Disadvantages of interviews

Interviews are time consuming and some respondents may choose not to participate.
For the researcher to curb disadvantages of interviews, the researcher provided short and precise questions to the respondents, offer incentives to respondents so as to encourage them to participate in the interviews.

3.10 **Data collection procedure**

This refers to the various activities which were undertaken by the researcher in compiling research instruments. When constructing the questionnaires the researcher attached a copy of a letter on top of the questionnaire which has the name of the student, program, year of study, name of institution and the research topic under study. The questionnaires were sent one week before collection so as to give the respondents enough time to complete them. The researcher used phone calls to remind the respondents on the date of collection of the completed questionnaires. In the interview, the researcher applied for permission from senior management and book for appointment in order to reduce the effect of bias. The researcher constructs a set of question to be asked to the respondents and the information will be recorded. However the researcher used phone calls and emails to remind the respondents about the date of the interview and time so as to make them get prepared.

3.11 **Validity**

Quinlan, (2011) defines validity of the research as the degree to which the research project measures what is set out to measure, the degree to which the research project accomplish what is set to accomplish. The validity of this research project is evidenced in the manner in which a strict focus has been maintained throughout the research project. The data collection methods used in the study includes questionnaires and interviews. Thus the data collection methods are the true representation of a case study.

3.12 **Reliability**

Reliability in research project relates to the degree to which the research can be repeated while obtaining consistence results or same results as the first research. The case study has been well constructed and the population used in the case study as well as the data gathering methods deployed in the case study was appropriate to the case study. This was also appropriate to the phenomenon under study. Therefore if the case study is repeated, the same result will be achieved.

3.13 **Data presentation and analysis**
Collected data will be analysed using Microsoft excel and SPSS analytic software will be presented in form of graphs, pie charts and tables. Responses from interviews and questionnaires will be thoroughly checked for completeness. Conclusions will be drawn from the data presented and recommendations will be established from the findings.

3.14 Ethical consideration

Leedy and Ormrod (2005) state that whenever human beings undertake an investigation, the researcher should look closely at the ethical implications of what he/she proposes to do. As such, participants were provided with protection from undue physical or psychological harm, informed consent to participate and the right to withdraw from the study at any time and right to privacy.

3.15 Summary

This chapter looked at research methodology which involves research design, population, sampling techniques, sample size, sources of data, research instruments, data collection procedures, research instruments, validity and reliability.
CHAPTER IV  
DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This gives the report of the case study by presenting the research finds and giving an analysis of the findings acquired at OK-Zimbabwe Bindura branch. Also included in this chapter is the discussion of the findings.

4.1 Response rate for questionnaires

The sample size was twenty-five consisting of five top managers, nine middle managers and twelve other junior staff members. The response rate is shown in the table below.

Table 1: Questionnaire respondents

<table>
<thead>
<tr>
<th></th>
<th>Questionnaire issued</th>
<th>Questionnaire answered</th>
<th>Response rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>4</td>
<td>3</td>
<td>100 %</td>
</tr>
<tr>
<td>Middle management</td>
<td>9</td>
<td>7</td>
<td>80 %</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>10</td>
<td>83 %</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>20</td>
<td>80 %</td>
</tr>
</tbody>
</table>

Source: Primary data

Twenty-five questioners were therefore issued accordingly, and the response rate of 80 % was accepted after a total of 20 out of 25 respondents were issued with Questionnaires for the purpose of drawing the fundamental data. Some respondents were not present at the time of collection of the questionnaires and for these reasons they did not return the questionnaires. Therefore, the high Questionnaire response rate of 80 % attained by this study is valid for making objective conclusions on the organization understudy and it also warrants any recommendations made since the findings made were authentic.

4.2 Response rate on interviews

Besides the questionnaire the researcher also used interviews. Five interviews were scheduled with each group being made up of five members which made the total sample size of 25. The response rate is shown in the diagram below:
Table 2: Reliability

<table>
<thead>
<tr>
<th>Group</th>
<th>Group size</th>
<th>Interviewed</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>5</td>
<td>4</td>
<td>80 %</td>
</tr>
<tr>
<td>Group 2</td>
<td>5</td>
<td>5</td>
<td>100 %</td>
</tr>
<tr>
<td>Group 3</td>
<td>5</td>
<td>4</td>
<td>80 %</td>
</tr>
<tr>
<td>Group 4</td>
<td>5</td>
<td>3</td>
<td>60 %</td>
</tr>
<tr>
<td>Group 5</td>
<td>5</td>
<td>5</td>
<td>100 %</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>21</td>
<td>84 %</td>
</tr>
</tbody>
</table>

Source: Primary data

During the interviews some of the respondents did not turn up for interview for different reasons, others were attending organisations emergence meetings; others were not at work for some reasons. However the total response rate of 84 % was enough for the researcher to use the findings and conclude since it was valid and reliable.

4.3 Industry and Demographic characteristics

Subjects understudy had at least a national certificate (5%) professional course (30%), first degree (35%) and a post graduate degree (30%), this implies that the literacy of respondents was high enough to making their responses to questions. The majority of respondents had been working in retail organisations for above five years, about 78% with working experience. This shows that the subjects in this survey possessed the required information for the study either through qualifications or working experience and familiarity to the organization.

Table 3 Gender of respondents who were eligible for interviews

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>16</td>
</tr>
<tr>
<td>Male</td>
<td>9</td>
</tr>
</tbody>
</table>

Source : primary data

From the above table there were 16 females who were eligible for interviews and 9 males

Fig 1: level of education
Source: primary data

This information of level of education is important because it helps the researcher to know the people she was dealing with. The researcher do not doubt the findings as she knows that she was dealing with well-educated people.

4.4 Establishing the effectiveness of financial intelligence in reducing white collar crime in retail organisations

4.4.1 Knowledge on the concept of white collar crime

For the 21 people that responded either through questionnaire or interviews, or both, 18 of them agreed that the have knowledge of the concept of white collar crime and the remaining three were not sure as shown below
**Fig 2: knowledge of white collar crime**

**Source: Primary data**

78% agreed that they have knowledge of white collar crime, this was enough to convince the researcher that her sample consists of people who can give reliable information. Their responses can be relied upon as far as this research is concerned since the majority has the knowledge of the subject under study.

**4.4.2 Effectiveness of financial intelligence in reducing white collar crime**

**Fig 3: How effective if financial intelligence in reducing white collar crime**

**Source: Primary data**
The results seem to show that financial intelligence is not effective in reducing white collar crime in retail organisations. 68% of the total sample greed that financial intelligence is not playing its role on white collar crime. Through interviews and further explanations in spaces provided on the questionnaire the respondents explained that managers are the most people who engage on white collar crime so give reasons for them not to be investigated, they window dress financial statements for them to cover up their fraud cases.

However the effectiveness of FI can be affected by the management who do not seek help from it. This is because they are involved in crime cases so they do not want to be investigated. The FI department won’t be able to play is role as it is avoided.

**4.4.3 Causes of white collar crime at OK Zimbabwe Bindura branch**

![pie chart showing causes of white collar crime](chart.png)

- **62%** poor remuneration
- **21%** lack of accountability
- **17%** weak control systems
- **6%** other causes

From the interviews, the researcher noted that the causes of white collar crime were poor remuneration, lack of accountability and weak control systems. The chief cause of white collar crime poor remuneration as evidenced by a high percentage of responses from the interviews 62% of respondents noted that the cause is poor remuneration. Worker engaged in white collar crime because they want to supplement their low wages they earn at the end of the month this causes workers to come up with other mechanisms of increasing their wages through committing white collar crime. Due to poor wages worker are leaved with little or no option of practising white collar crime. Employees who are poorly paid are often tempted to fraudulently
change their behaviour and character to meet their individual and social needs. The temptation is stronger on till operator and cashiers who handle cash on daily basis. When employees feel that they are not fully paid they usually become frustrated and with such frustration can facilitate employees to commit white collar crime so as to compensate themselves.

21% of respondents from the interviews explained that the other cause of white collar crime is weak control systems. Respondents explained that poor internal controls in retail sector is regarded as a cause of white collar crime being manifested through inadequate supervision and surprise audits to management and employees. This causes managers with fraudulent tendencies who are not audited get the feeling that the environment is safe for the perpetration of committing crimes. Respondents also explained that, the longer an employee stays on a job, the more skillful he is likely thought to become, here is an argument suggesting an operator who has spent so long on a particular job may be encouraged to think that no one else can uncover his crime for example, fraud. This often happens when employees due to performing the same job over a long period initiate procedure to avoid stated internal controls and procedures of the organization to facilitate perpetration of fraud against the company. The existence of this kind of situation in a company is clear evidence of poor executive and such situations encourage fraudulent practices in retail sector.

The other cause of white collar crime is lack of accountability which was explained by 17% respondents. The explained people commit fewer crimes in their different workstations when they are held fully accountable for their actions within the organisations. Typically, people with high social status are likely to commit white collar crimes without any concern of answerability.

4.4.4 Effects of white collar crime

Determining the effects of white collar crime at OK Zimbabwe Bindura branch was part of objectives of this study. Respondents were asked to provide information on the resulting effects of white collar crime and the following material signifies the respondents’ views as on table 4
Possible effects | Do not agree | Strongly agree | Partly agree
---|---|---|---
Loss of resources | 14.81% | 59.26% | 25.93%
Reputational damage | 18.52% | 51.85% | 29.63%
Rise of shadow economy | 37.4% | 29.63% | 33.33%
Loss of revenue | 25.93% | 40.74% | 33.33%
Reduced production | 22.22% | 37.04% | 40.74%

Table 4: effects of white collar crime n (=20)

Source: Raw data

Amongst the respondents 14.81%, 18.52%, 37.4%, 25.93%, 22.22% did not agree that loss of resources, reputational damages, rise of shadow economy, loss of revenue and reduced production as effects of white collar crime in retail organisations. From the table 4.2; 59.26%, 51.85%, 29.63%, 40.74%, 37.04% of the respondents strongly agreed on loss of resources, reputational damages, rise of shadow economy, loss of revenue and reduced production as effects of white collar crime. As shown on table 4.2 25.93%, 29.63%, 33.33%, 40.74% of the respondents strongly agreed on loss of resources, reputational damages, rise of shadow economy, loss of revenue and reduced production as effects of white collar crime in retail organisations. This was also supported by DiNapoli (2013) who indicated that white collar crime such as fraud erodes public confidence and reputation of the organisations or individuals involved.

Loss of resources

A majority of 59.26 % strongly agree that white collar crime causes loss of resources to the organisation. 14.81% do not agree and 25.93% that white collar crime causes loss of resources in a retail organisation. Bribes can be used to reduce the amount of taxes or other fees collected by the government, bribes offered or demanded for the issuance of licences that convey exclusive rights such as land development concession or exploitation of natural resources (Sithole A, 2013). Profits are lost due to white collar crime because of its negative impact.

Reputational damage

A total of 51.85% strongly agree, 29.63% partly and 18.52% do not agree that white collar crime causes reputational damage to the organisation. White collar crime damages organisational reputation as it exposes bad events that have occurred in the firm which result
in loss of confidence and integrity of the institution. Fraud is often reported because of the damage it causes to the image of the defrauded organisation (Mabika 2015)

**Rise of shadow economy**

About 29.62% strongly agree, 33.33% partly agree and 37.4% do not agree, that white collar crime causes rise of shadow economy in retail organisation. Generally a shadow economy can be described as a business or trade that avoids notice or observation by the government agencies. A prospering shadow economy may cause severe difficulties for legislators to assess economic performance or provide information for policymaking and analysis.

**Loss of revenue**

A majority of 40.74% strongly agree that white collar crime causes loss of revenue in retail organisations. 33.33% partly agree and 25.93% do not agree that white collar crime causes loss of revenue in the organisation. Once the firm has been compromised by crimes like fraud, bribery, corruption etc. it would not be able to run the business as the fund has already affected and it cannot be able to meet its demands.

**Reduced production**

Table 4 showed that 37.04% strongly agree, 40.74% partly agree and 22.22% do not agree that white collar crime causes reduced production in retail organisations. White collar disrupt business continuity as it reduces the quality and effectiveness of critical services and threaten the stability of organisations in retail sector (Clark, 2011)

**4.4.5 Current effectiveness of financial intelligence towards reducing white collar crime at OK Zimbabwe Bindura branch**

Throughout the research process, through questionnaires and interviews the respondents were asked about how they see the contribution of FI towards reducing white collar on the organisation under study, OK Zimbabwe (Bindura Branch). The question required them to explain and more than 70% of them suggested that they have not seen the contribution of FI. According to the research findings the organisation is not experiencing the help of FI. The effectiveness of FI can also be affected by the attitude of the management. This is so because if they are involved in crime they wouldn’t want to be investigated so they avoid FI. S
4.5 Chapter summary

The study aimed on the presentation and analysis of data using methods outlined on the earlier chapter. The presentation was based on the findings obtained from the questionnaires and interviews. The next chapter will give summary of findings, conclusions and recommendations to the study.
CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
This chapter encompasses the summary of major findings of the research, conclusions based on the findings and recommendations on how problems discovered in the study can be resolved.

5.1 summary of findings
The research study was also looking at the effectiveness of financial intelligence in reducing white collar crime. The findings showed that financial intelligence is not putting input in reducing white collar crime in retail sector.

The researcher discovered that confidentiality is one of the hindering factor affecting the effectiveness of FI in reducing white collar crime in retail organisations. Managers do not disclose their files to the agents of FI, so it is very difficult for the FI department to play their role.

The researcher discovered that OK employees staff committed white collar crime due to a variety of reasons which included self-indulgence, lack of accountability, peer support, inadequate remunerations, and lack of reporting, corporate culture, weak controls, economic and financial pressures and also because of the thought that everybody was doing it within the organisation and it becomes a norm.

The research highlighted that white collar crime have negative effects in retail organisations as indicated by the majority of the respondents. White collar crime poses adverse effect in retail organisations which include loss of resources, reduced production, damages reputation and loss of revenue.

5.2 Conclusion
From the findings of the study, the researcher came up with the following conclusion;

Retail organisations are exposed to white collar criminal activities. Employees commit white collar crime due to a range of reasons which include lack of adequate remunerations, greed, financial pressures and lack of job rotation one becomes reluctant. the longer an employee stays on a job, the more skilful he is likely thought to become, here is an argument suggesting an
operator who has spent so long on a particular job may be encouraged to think that no one else can uncover his crime. This often happens when employees due to performing the same job over a long period initiate procedure to avoid stated internal controls and procedures of the organization to facilitate perpetration of fraud against the company. The existence of this kind of situation in a company is clear evidence of poor executive and such situations encourage fraudulent practices.

White collar crime has negative effects on retail organisations. White collar damages organisational reputation as it exposes bad events that have occurred in the firm which result in loss of confidence and integrity of the institution. Interests of different stakeholders are summoned when threats arise and it may harm their potential and interests in doing business with the organisation. Fraud is often reported because of the damage it causes to the image of the defrauded organisation. Financial intelligence is not effective due to confidentiality, the management do not disclose information to the agents. Financial intelligence is not contributing in reducing white collar crime in retail organisations.

5.3 Recommendations

From the study the following recommendations were made:

Participate in `constant contextual checks and screening and creating effective pre-employment screening processes that deliver sufficient assurance over the identity, credentials and integrity to employees especially those dealing with money on tills thus preventing individuals who have committed occupational crime in the past from joining the organisation.

The researcher endorses that orientation of new employees should include an emphasis of existence of white collar crime within retail organisation. Constant employee training programmes against white collar crime should include the effect and nature and ways to prevent it.

Retail organisations should conduct surprise audits and internal control systems should be put in place to ensure that effective controls are in place. Internal and external audits should be carried so as to monitor organisational activities from within and outside the firm.

Retail organisations should establish effective whistle blowing policy, ethical codes of conduct and lifestyle audits should be practiced from time to time by accountable authorities within the firm. They should also seek help from financial intelligence so that it can help with effective measures.
Organisations should constantly expose successfully investigated fraud cases to act reminders to those who may be tempted as well as a warning to those who are responsible within the management.

5.4 Recommendations for future research

Though the study has highlighted causes and effects of white collar crime in retail organisations, further researches can be done on;

The role of auditing on curbing white collar crime in retail organisations.

Corporate culture and white collar crime within retail organisations.

Retail organisations should invest on competitive intelligence so as to gather more information.

Measures directed at reducing procurement challenges in Zimbabwean retail organisations.

The benefits of investing in competitive intelligence in retail organisations.

5.5 Summary

This chapter analysed the research findings, summary recommendations and give conclusions. The researcher believed that this research project was a success as since the objectives were met and research questions were answered.
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INTERVIEW

My name is Pamela Liliosa Mhenzi and I am studying Bachelor of Commerce (Honours) Degree in Financial Intelligence at Bindura University of Science Education.

I would like to ask for your concern and support in an interview on my research project which reads, ‘Financial Intelligence and white collar crime in the retail sector, A case of OK, Zimbabwe, Bindura branch.

1. How long have you been employed at OK-Zimbabwe Bindura Branch?
2. What is your current position in the organisation?
3. What do you think are the causes of white collar crime?
4. Does your organisation implement measure in reducing white collar crime?
5. What are the effects of white collar crime?
6. What challenges do you face in reducing white collar crime as OK-Zimbabwe Bindura Branch?
7. How effective is financial intelligence in reducing white collar crime?
8. What is the importance of financial intelligence in reducing white collar crime?

THANK YOU FOR YOUR CONTRUBUTION, GOD BLESS YOU!!!!!!!!!!!!!!!
QUESTIONNAIRE

QUESTIONNAIRE FOR OK ZIMBABWE BINDURA BRANCH

My name is Mhenzi Pamela Liliosa. I am a student learning the Bachelor of Commerce Honours Degree in Financial Intelligence at Bindura University of Science.

I am carrying out a research titled:

Financial intelligence and white collar crime in the retail sector, A case of OK, Zimbabwe, Bindura branch.

This is in partial fulfilment of my studies. Your co-operation on the subject is greatly welcome and all responses will be treated in their great confidentiality they deserve and only Bindura University of Science Education and OK-Zimbabwe Bindura Branch are permitted to get access to this information. I can be contacted on the number 0777794727 or 0719794727 if you have any queries. Thank you in advance.

YOU ARE KINDLY REQUESTED TO COMPLETE THE QUESTIONNAIRE AS FULLY AS POSSIBLE BY TICKING AND WRITE ON THE SPACE PROVIDED.

(Please do not write your name on this Questionnaire)

SECTION A:

General Information

1. Which department are you attached to?
   • Finance
   • Marketing
- Information Technology
- Operations

2. What position do you hold?
- Senior Management
- Middle Management
- Other

If other, specify.................................................................

3. How old are you?
- 20 years and below
- 21-30 years
- 31-40 years
- 41-50 years
- 51-60 years
- Over 60 years

4. What is your sex?
- Male
- Female

5. How long have you been employed at OK Zimbabwe?
- 0-10 years
- 11-20 years
- 21-30 years
- 30-40 years
- Over 40 years

6. What is your highest level of education
- National Certificate
- Diploma
- Professional Course
- Degree
Masters
PhD

SECTION B

1. Do have any knowledge about white collar crime? ☐ Yes ☐ No

2. Is your organisation aware of white collar crime? ☐ Yes ☐ No

3. What do you think are the causes of white collar crime?

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4. What challenges do you face in reducing white collar crime as OK, Bindura?

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5. What measures are you enforcing to reduce white collar crime?

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6. What are the effects of white collar crime at your organisation?

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7. How effective is financial intelligence in reducing white collar crime?

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8. How important is financial intelligence in reducing white collar crime at your organisation?

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THANK YOU FOR YOUR CONTRIBUTION. YOUR WEIGHTINESS IS HIGHLY VALUED. MAY GOD BLESS YOU!!!!!!s