

Job Satisfaction and Self Structures as Determinants of Fraudulent Behaviour

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Abstract

This study investigated job satisfaction and self-structures as determinants of fraudulent behaviour among bank employees in Nigeria. Six hundred (600) Participants with ages ranging between 21 and 50 participated in the study. The participants were administered Demographic Data Questionnaire which was constructed by the researcher to obtain biographical information about the participants sex, marital status, age, job tenure or work experience, job position or position in the office, educational qualification, state of origin and religion. In addition Job Descriptive Index (JDI) developed by Smith, Kendall and Hulin (1975) which assesses Job Satisfaction and Arrow Dot Test (ADT) by Dombrose and Slobin (1958) which measures the relative functioning of the three psychoanalytic personality structures of an individual, the Id (I), The Ego (E) and The Superego (S) were administered. Also administered to the participants is the Psychopathic Deviate Scale (PD scale; a sub-scale of Minnesota Multiphasic Personality Inventory (MMPI) by Hathaway and McKinley (1943) for assessing fraudulent behaviour. The results obtained were analysed using the analysis of variance (ANOVA) and multiple correlation statistics. The findings revealed that scores on measures of warped conscience and impulsivity (Arrow-dot ID, EGO and Superego) significantly increased from fraud charged/convicted bankers through non-charged bankers to non-bankers. A significant positive correlation was also established between job satisfaction and fraudulent behaviour. Recommendation was made on the approach that may be adopted to reduce incidence of fraud in the banking industry.

Introduction

Fraudulent behaviour in a banking context is “an antisocial behaviour by a bank employee, customer or others acting jointly or independently against a bank. This action usually takes the form of forgery, falsification of documents, outright theft, taking personal loan by staff without paying back, in addition, giving an unsecured, under-secured and unrestrained loan to companies in which directors, managers and their friends have interest” (Akinfala, 2005:4). According to Adenubi (1995:21), “there are three stages to any completed fraud. First is the initial impetus, that is the temptation or urge following the exposure to a large quantity of what one lacks and which he/she desires very strongly to have. The second stage is the conception of the idea of committing the fraud. Here the avenues must be existing and must be tempting enough and apparently concealable and finally the committing fraud itself. Here the perpetrator will draw the plan and execute with the hope that his activity will not be easily detected”. According to the Nigerian Deposit Insurance Corporation (NDIC), (2003), reported cases of fraud increased significantly from 796 cases in 2002 to 850 cases in 2003, depicting about 6.8. % Increase. In spite of this increase, there was a slight decrease in the total amount involved, from about N12, 919 billion in 2002 to N9.383 billion in 2003, representing a decrease of almost 27.4%. Similarly the expected loss was estimated at N857.46 million as at December 2003 compared to N1, 299.69 billion in 2002. The proportion of expected loss decreased slightly to 9.13 % as at end of 2003 from 10.10 % in 2002

According to Porter (1961:23), behaviour is a function of the motivational level, the degree of involvement, commitment and the amount of satisfaction derived from performing a task. Smith, Kendall and Hulin (1969:7) described job satisfaction as a “function of the difference between what is expected as a fair return and what is actually experienced”. Job satisfaction is also the amount or degree of feelings a worker has about different components or aspects of his or her job. These components are work, present pay, opportunities for promotion, supervision and people on the present job. Also Freud (1923:96) views the id, ego and super-ego, as the three structures that keep their eyes on one another in order to check one another’s excesses. However, there is the division of power and functions. The ego is the structure that lies between the two other structures, and it is upon it that demands are made. The id on its part yearns always for satisfaction of instinctual needs. It does not care when or through what means that has to be done. Its concern is that the need must be satisfied at all cost. The ego, (which represents the person) has to see to it that the satisfaction of needs is done not only at the appropriate time but also in the appropriate place. When the ego fails to exercise that constraint, behaviour problem occurs. The super-ego also interacts with the ego in order to ensure a healthy personality. The super-ego on its part tells the ego not to yield to certain demands of the id. If the ego yields, the super-ego brings guilt, as punishment on the ego. Our parental instructions or societal customs are guides to us as to how we should behave. When we fail to obey some of these rules and regulations, we come under societal sanctions or under sanctions from our conscience. This paper examines the influence of job satisfaction and self-structure on tendency to commit fraud.

The following hypotheses were tested:

1. There will be a significant difference in measures of warped conscience and impulsivity (Arrow-dot Id, Ego and Superego) from fraudulent charged/convicted bankers through non-charged bankers to non-bankers.
2. There will be a significant positive correlation between job satisfaction and fraudulent behaviour.

Method

The Research Setting

This research was conducted in Lagos State, which is the “home” of major ethnic groups and the location of the head offices of most of the banks in the country. It is also the location of the Ikoyi and Kirikiri prisons where convicted fraudsters in the country are kept. The target populations for this study were, convicted bankers, bankers without conviction & non-bankers.

Sample Selection And Sampling Technique

Six hundred participants were randomly selected. The participants were in the age range of 21-50 years, all with a minimum of School Certificate or GCE ordinary level education that qualified them to understand and fill the test forms easily. Moreover, they had spent at least one year and above in their respective organisations at the time of data collection in order to ensure that they had adequate knowledge of the study objectives. The participants were in three groups, A, B, and C. Group A: Two hundred (N=200) consisted of bankers who had been convicted of fraud, and were in prison. Group B, the control group: Two hundred (N=200) consisted of bankers who were still in their various offices without charge or conviction for fraud. Group C, the second control group: Two hundred (N=200) consisted of non-bankers, like civil servants, businessmen and women who were also not convicted. Groups A and B were selected using accidental sampling technique, while Group C participants were selected randomly.

Research Instruments

Data were collected using the following instruments:

1. Arrow Dot Test (ADT). The I-Id, E-Ego, S-Superego, test was developed by Dombrose and Slobin (1958). The ADT measures the relative functioning of the three psychoanalytic personality structures of an individual, the Id (I), The Ego (E) and The Superego (S). This instrument has been used in Nigeria by Anumba (1995).
2. Job Descriptive Index (JDI) developed by Smith, Kendall and Hulin (1975), consists of 72 items, some of which assess job satisfaction in terms of pay, work itself, co-workers, supervisor and promotion. The internal consistency-reliability of the scale ranged from .80 to .88 as reported by the authors. This scale has been adopted and used in Nigeria by Adekeye (1989:15), Akinleye (1991:24) and Mogaji (1997:28).
3. Psychopathic Deviate Scale (PD SCALE): It is a sub-scale of the Minnesota Multiphasic Personality Inventory (MMPI) by (Hathaway & Mckinley, 1943), comprising 50 self-reference statements used to measure the degree of psychopathy in adults and delinquency in adolescents. It was used in this study to measure fraudulent behaviour. According to Graham (1980:4), high scorers on the P.D scale have great difficulty incorporating the values and standards of a wide array of social or antisocial behaviours. These behaviours include lying, cheating and stealing. It has been used in Nigeria by Ivor (1984:13), and Kukoyi (1997:18).
4. Demographic Data Questionnaire: It was constructed by the researcher to obtain information about the participants sex, marital status, age, job tenure or work experience, job position or position in the office, educational qualification, state of origin and religion.

Data Collection

The data for the present study were obtained using documentary and survey research methods. In terms of documentary research, several documents were obtained from N.D.I.C. on fraudulent practices in Nigerian banks from 1989-2003 and from the Inspection departments of banks in Lagos. In terms of survey research, questionnaires were given to the respondents.

Procedure

The instruments were administered in groups to the prison inmate bankers in Ikoyi and Kirikiri prisons by the researcher with the permission of the prison officials. The administration of the instruments to non-convicted bankers was done at the Financial Institution Training Centre (F.I.T.C.) when they were undergoing a 5-week training course. The non-bankers were administered the instruments in their offices at Lagos State Secretariat, Alausa and Federal Secretariat, Ikoyi. In all cases, the participants easily completed the instruments by reading the instructions at the top of each. On whole, 600 test forms were used for the study.

Statistical Analysis

Analysis of variance (ANOVA) and multiple correlation statistics were used to analyse the data.

Results

Hypothesis One

To test hypothesis one, which states that there will be a significant difference in measures of warped conscience and impulsivity (Arrow-dot Id, Ego and Superego) from fraudulent charged/convicted bankers through non-charged bankers to non-bankers, a one-way analysis of variance was used. In the case of Arrow dot Id, the result shows that there is a significant difference between the three groups of participants with $df(2,597) = 4.62$ and $P < .01$. Since $F_{observed} 47.40 > F_{critical} 4.62$ with a mean Arrow-Dot Id score of 7.27 have a higher Arrow-dot Id than nonconvicted bankers ($x = 4.39$) and non bankers ($x = 4.135$). This hypothesis holds. The result is summarised in table 1 below.

Table 1: Analysis of Variance between the Three Groups of Participants on Arrow-Dot ID.

Source	SS	Df	MS	Fcal	Pvalue
Between Groups	1646.843	2	823.42	47.40	.01
Within Groups	10370.355	597	17.37		
Total	12017.198	599			

Further analysis, using the Scheffé test for multiple comparison shows that, no significant difference was observed between non-convicted bankers and non bankers which further confirm hypothesis one as shown in Table 2 below.

Table 2: Scheffé Test of Multiple Comparisons between the Three Groups of Participants on Arrow-Dot ID

	A	B	C
		3.38*	3.63 5
B			-2,55
C			

* = Significant at $P < .01$

In the case of Arrow-dot Superego, the situation is quite similar to that of Arrow-dot Id. From the ANOVA result of Table 3 below, it was observed that, there is a significant difference between the three categories of participants on Arrow-dot Superego, with $df(2,597) = 4.62$ tab and $P < .01$. Since F observed $6.89 > F$ critical 4.62 . This hypothesis holds.

Table 3: Analysis of Variance between the Three Groups of Participants on Arrow-Dot Superego.

Source	SS	Df	NIS	Fcal	Pvalue
Between Groups	200.92	2	100.46	6.89	.01
Within Groups	8705.42	597	14.58		
Total	8906.34	599			

Convicted bankers with an average mean score of 4.60 have significantly outscored their non-convicted bankers ($x = 3.23$) and non bankers ($x = 3.60$) respectively. On the other hand, it was observed that, there is no significant difference between non-convicted bankers and non-bankers. Further confirming the hypothesis as shown in Table 4 below.

Table 4: Scheffé Test of Multiple Comparisons between the Three Groups of Participants on Arrow-Dot Superego

	A	B	C
		3.38*	3.63 5
B			-2,55
C			

In the case of Arrow-dot Ego, the result obtained from the analysis of variance is given in table 5 below.

Table 5: Analysis of Variance between the Three Groups of Participants on Arrow-Dot Ego.

Source	SS	Df	MS	Fcal	Pvalue
Between Groups	1545.623	2	772.812	10.897	.01
Within Groups	42339.895	597	70.921		
Total	43855.518	599			

Table 5 result shows that, there is highly significant difference between the three groups of participants on Arrow-dot Ego scale with $df(2,597) = 4.62$ tab at $P < .01$. Since F observed $10.897 > F$ critical 4.62 . This hypothesis holds. Non-bankers with average mean score of 12.265 on Arrow-dot Ego scale have a higher tendency than convicted bankers ($x = 8.37$) and non-convicted bankers ($x = 10.78$). In fact, both non-bankers and non-convicted bankers have significantly higher Arrow-dot Ego than convicted bankers. On the other hand, further analysis using Scheffé test of difference of means in table 6 below shows that, the difference between non-bankers and non-convicted bankers is not statistically significant at 1% level of significance.

Table 6: Scheffé Test of Multiple Comparisons between the Three Groups of Participants on Arrow-Dot Ego

	A	B	C
A		-2.41	-3.895*
B			-1.485
C			

* = Significant at $P < .01$

Hypothesis Two

To test hypothesis two, which states that there, will be a significant positive correlation between job satisfaction and fraudulent behaviour. Results obtained in the correlation matrix of Table 7 shows that there are significant positive relationships between JDI-B and ID (.32), and between JDI-C and ID (.31). On the other hand, a significant negative association was observed between PD fraud and JDI-A (-.10), JDID (-.10) and JI (-.10). Furthermore, an independent Test was performed to find out whether highly satisfied workers are less fraudulent than less satisfied workers. The result is given in the following table 8 below.

TABLE 8

TABLE 5: Correlation Matrix of the 17 Measures

SN	EPQ_P	EPQ_E	EPQ_N	JDI_A	JDI_B	JDI_C	JDI_D	JDI_E	PD	OC_ID	OC_JOB	OC_L	JI	ARDOT_ID	ARDT_GO	ARDT_EG	SEIAS
1 EPQ_P																	
2 EPQ_E	.11*																
3 EPQ_N	.41*	.28*															
4 JDI_A	-.10*	.06	-.10*														
5 JDI_B	.29*	.01	.07	.09**													
6 JDI_C	.27*	.09*	.10*	.21*	.66*												
7 JDI_D	.20*	.03	-.10*	.34*	.16*	.27*											
8 JDI_E	-.20*	.03	-.10*	.29*	.13*	.25*	.57*										
9 PD	-.39*	.07	.20*	-.10*	.32*	.31*	-.10*	-.10*									
10 OC_ID	.10*	.00	-.10*	.13*	.08	.13*	.13*	.17*	.10*								
11 OC_JOB	-.10*	.00	-.10*	.08	.01	.05	.11*	.09*	-.07*	.45*							
12 OC_LOY	-.10*	-.10*	-.20*	.12*	.11*	.14*	.07	.18*	-.04	.58*	.37*						
13 JI	-.16*	.07	.14*	-.10*	.03	.02	-.10*	-.10*	.19*	-.20*	-.20*	-.10*					
14 ARDOT_ID	.22*	.08	.10*	.00	.23*	.22*	.00	.00	.24*	.02	.03	.03	.04				
15 ARDT_EGO	.20*	-.10*	.00	.07	-.20*	.22*	.01	.04	-.21*	-.00	-.00	-.00	.00	-.45*			
16 ARDT_SEG	-.03	.05	.00	.03	.10*	.07	.05	.05	.05	.04	.03	.03	.03	-.25*	-.26*		
17 ELAS	.32*	.08	.12*	-.00	.22*	.17*	-.10*	-.00	.18*	-.10*	-.10*	-.00	.06	.17*	-.16*	-.05	

Note: * significant p < .05 KEY:

N = 600

d.f. = 598

Critical r = .08

- EPQ(P) = Eysenck Personality Questionnaire (Psychotism)
- EPQ(E) = Eysenck Personality Questionnaire (Extraversion/Introversion)
- EPQ(N) = Eysenck Personality Questionnaire (Neuroticism)
- JDI(A) = Job Descriptive Index (Pay)
- JDI(B) = Job Descriptive Index (Work itself)
- JDI(C) = Job Descriptive Index (Co-worker)
- JDI(D) = Job Descriptive Index (Supervision)
- JDI(E) = Job Descriptive Index (Promotion)
- PD = Psychopathic Deviate
- OCCQ = Organisational Commitment Questionnaire
- ELAS = Extravagant Life Style Assessment Scale
- JII = Job Involvement
- OCC(ID) = Organisational Commitment (Identification)
- OCC(OB) = Organisational Commitment (Job itself)
- OCC(LOY) = Organisational Commitment (Loyalty)
- Arrow Dot (ID)
- Arrow Dot (EGO)
- Arrow Dot (Superego)

Result obtained in the correlation matrix of Table 7 shows that there are significant positive relationship between JDI-B and ID (.32), and between JDI-C and ID (.31). On the other hand, a negative association was observed between PD fraud and JDI-A (-.10), JDI-D (-.10) and JDI-E (-.10). Furthermore, an independent Test was performed to find out whether highly satisfied workers are less fraudulent than less satisfied workers. The result is given in the following table 8 below.

Table 8: Independent t-test between Level of Job Satisfaction and Fraudulent Behaviour (PD)

Job Satisfaction	N	\bar{X}	SD	df	tcal	Pvalue
High	263	24.1338	5.680	598	2.884	.01
Low	337	22.775	5.			

Result of table 8 shows that, participants with higher job satisfaction have a significantly higher average mean score in fraudulent behaviour (24.138) than those who have lower job satisfaction with an average of 22.775. With df (598)= 2.358 tab at $P < .01$. Since $F_{observed} 2.884 > F_{critical} 2.358$. This hypothesis holds. Thus, the more an individual is satisfied, the more fraudulent he/she is.

Discussion

In respect of hypothesis one, which states that there will be a significant difference in measures of warped conscience and impulsivity (Arrow-dot Id, Ego and Superego) from fraudulent charged/convicted bankers through non-charged bankers to non-bankers. The results in Tables 1-6 show that there is a significant difference in scores on measures of warped conscience and impulsivity (Arrow-dot Id, Ego and Superego). These findings are in consonance with Freud's Psychoanalytic theory. Which states that, "human behaviour does not just occur but occurs in accordance with intrapsychic causes, which may not always be obvious to an outside observer or even to the person displaying the behaviour" The word psychic was used by Freud (1923:96) to refer to the human mind. According to Freud (1923:98), all human beings are born with instinctual, or innate, sexual and aggressive impulses that demand immediate gratification but which individuals cannot always directly express without causing themselves harm or other negative consequences. Thus, it becomes each individual's lifelong task to satisfy instinctual urges while taking into account the demands, rules, and realities of the environment.

The second hypothesis, which stated that there would be a significant positive correlation between job satisfaction and fraudulent behaviour, was also accepted. The more satisfied an individual, the more he/she would be involved in fraudulent behaviour. Results obtained in the correlation matrix of Table 7 show that there were significant positive relationships between JDI-B and PD (.32), and between JDI-C and PD (.31). On the other hand, it was observed that there is a negative association between PD fraud and JDI-A (-.10), JDI-D (-.10) and JDI-E (-.10). Ejiogu et al (1995) in their equity theories of Job satisfaction were supported by the findings of this hypothesis. They proposed that one gets the feeling of satisfaction if he believes that he has been equitably rewarded for his labour and services or job inputs, That is experience, educational skills etc. If a worker thinks that his output is more than input (salary), he becomes dissatisfied. The situation then lies in his creating an equitable situation for himself either by:

1. Decreasing his output, while holding his inputs constant;
2. Quitting the job;
3. Looking for other fraudulent ways of satisfying himself

Conclusion

The theme of this paper was to examine the psychosocial factors involved in the increasing number of frauds among Nigerian bankers and non-bankers. In deciding whether to pursue the recovery of stolen funds, Ovuakporie (1994:60) recommended that each case of fraud must be subjected to a cost/benefit analysis. He recommended that where estimated cost of recovery is higher than the stolen funds and the fraudsters are at large, it may not be a good decision to pursue the recovery of such funds. It is hereby recommended that the management of Nigerian banks should make use of psychological methods; procedures and instruments in identifying potential, suspected and apprehended fraudsters. Also the Police, CBN, NDIC, and bank management should also set up a fraud Investigation and Management Department in order to bring sanity to the banking system in Nigeria.

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