

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF INTELLIGENCE AND SECURITY STUDIES**



**THE IMPACT OF WHITE COLLAR CRIME ON BUSINESS  
PERFORMANCE. A CASE STUDY OF TM PICK N PAY BINDURA FOR THE  
PERIOD 2018-2022**

**BY**

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**(B202424B)**

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## RELEASE FORM

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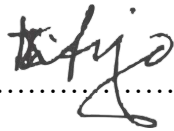


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## DECLARATION

I, **B202424B**, declare this research project herein is my own work and has not been copied or lifted from any source without the acknowledgement of the source.

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## **DEDICATION**

I dedicate this research to my family, with special mention to my parents for their unwavering love, support and sacrifices throughout my life, my sisters Shingirirai and Sheanesu. Their unending moral support helped me to remain focused in the execution of this research and cannot go unnoticed.

## **ABSTRACT**

White collar crime is a disease that is spreading at an alarming rate globally. While the numbers of white-collar crime increase, the impact it leaves behind down the line is astonishingly high after their ripple effect. This research investigates the impact of white-collar crime on business performance, exploring the consequences of such criminal activities. A descriptive research methodology was used in this study, combining both qualitative and quantitative data. Questionnaires and personal interviews were distributed and conducted to a sample of 24 individuals out of 40 TM Pick n Pay Bindura branch employees. Stratified random and purposive sampling methods were used to select respondents from the TM Pick n Pay Bindura branch. Findings revealed that fraud, corruption, bribery and embezzlement are the major types of white-collar crime prevalent at TM Pick n Pay Bindura. The study also found that white collar crime crimes negatively affect a business's operation as they result in financial losses, reputational damage, job loss, unfair competition, erosion of trust and increased regulatory scrutiny. Majority of the employees agreed that measures set up by TM Pick n Pay Bindura branch management in fighting white collar crime were ineffective. The study recommends whistleblowing, regular audits, strong internal control mechanisms and severe penalties and prosecution as the major strategies to deal with white-collar crime at TM Pick n Pay Bindura. This research contributes to the existing literature by providing a comprehensive understanding of the consequences of white-collar crime on business performance, informing practices aimed at preventing and addressing this pervasive issue.

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## TABLE OF CONTENTS

TITLE PAGE .....	i
RELEASE FORM .....	ii
APPROVAL FORM .....	iii
DECLARATION .....	iv
DEDICATION .....	v
ABSTRACT .....	vi
ACKNOWLEDGEMENTS .....	vii
TABLE OF CONTENTS .....	viii
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
LIST OF APPENDICES .....	xi
CHAPTER I .....	1
INTRODUCTION .....	1
1.0 Introduction.....	1
1.1 Background of the study .....	1
1.2 Statement of problem.....	4
1.3 Purpose of study .....	4
1.4 Research objectives .....	4
1.5 Research questions.....	5
1.6 Significance of study .....	5
1.6.1 To business people.....	5
1.6.2 To Bindura university.....	5
1.6.3 To the government and regulatory authorities .....	5
1.6.4 To the researcher .....	6



<b>1.7 Assumptions.....</b>	<b>6</b>
<b>1.8 Delimitations of the study.....</b>	<b>6</b>
<b>1.9 Limitations of the study .....</b>	<b>6</b>
<b>1.10 Definition of terms .....</b>	<b>7</b>
<b>1.10.1 White collar crime.....</b>	<b>7</b>
<b>1.10.2 Fraud .....</b>	<b>7</b>
<b>1.10.3 Business performance .....</b>	<b>7</b>
<b>1.10.4 Embezzlement .....</b>	<b>7</b>
<b>1.10.5 Corruption .....</b>	<b>7</b>
<b>1.11 Chapter summary .....</b>	<b>7</b>
<b>CHAPTER II .....</b>	<b>8</b>
<b>LITERATURE REVIEW .....</b>	<b>8</b>
<b>2.0 Introduction.....</b>	<b>8</b>
<b>2.1 White collar crime defined .....</b>	<b>8</b>
<b>2.2 Types of white-collar crime.....</b>	<b>9</b>
<b>2.2.1 Embezzlement .....</b>	<b>9</b>
<b>2.2.2 Fraud .....</b>	<b>10</b>
<b>2.2.3 Bribery .....</b>	<b>10</b>
<b>2.2.4 Corruption .....</b>	<b>11</b>
<b>2.2.5 Cybercrime .....</b>	<b>11</b>
<b>2.2.6 Money laundering .....</b>	<b>11</b>
<b>2.2.7 Insider trading.....</b>	<b>12</b>
<b>2.3 Impacts of white collar on business performance .....</b>	<b>12</b>
<b>2.3.1 Financial loss .....</b>	<b>12</b>
<b>2.3.2 Reputational damage .....</b>	<b>12</b>
<b>2.3.3 Job loss .....</b>	<b>13</b>

2.3.4 Erosion of trust.....	13
2.3.5 Unfair competition .....	13
2.3.6 Increased regulatory scrutiny .....	13
2.4 Combating white-collar crime .....	14
2.4.1 Strong internal controls.....	14
2.4.2 Ethical code of conduct.....	14
2.4.3 Whistle-blowing.....	15
2.4.4 Regulatory compliance .....	15
2.4.5 Employee education and training.....	15
2.4.6 External audit.....	16
2.4.7 Data analytics and artificial intelligence.....	16
2.4.8 Public awareness .....	16
2.5 Theoretical framework.....	17
2.5.1 General strain theory.....	17
2.5.2 Fraud triangle theory.....	18
2.5.3 Rational choice theory .....	19
2.5.4 Social learning theory .....	19
2.5.5 Differential association theory .....	20
2.6 Empirical evidence of the study .....	21
2.7 Gap analysis.....	24
2.8 Chapter summary .....	25
CHAPTER III .....	26
RESEARCH METHODOLOGY .....	26
3.0 Introduction.....	27
3.1 Research design .....	27
3.2 Study population .....	27

<b>3.3 Population sample .....</b>	<b>28</b>
<b>3.4 Sampling techniques .....</b>	<b>28</b>
<b>3.4.1 Stratified random sampling .....</b>	<b>28</b>
<b>3.4.2 Purposive sampling .....</b>	<b>29</b>
<b>3.5 Research instruments .....</b>	<b>29</b>
<b>3.5.1 Questionnaires.....</b>	<b>29</b>
<b>3.5.2 Advantages of questionnaires .....</b>	<b>29</b>
<b>3.5.3 Disadvantages of questionnaires.....</b>	<b>30</b>
<b>3.6 Interviews.....</b>	<b>30</b>
<b>3.6.1 Advantages of interviews.....</b>	<b>31</b>
<b>3.6.2 Disadvantages of interviews .....</b>	<b>31</b>
<b>3.7 Data collection procedures .....</b>	<b>31</b>
<b>3.8 Data presentation and analysis procedures .....</b>	<b>32</b>
<b>3.9 Chapter summary .....</b>	<b>32</b>
<b>CHAPTER IV .....</b>	<b>32</b>
<b>DATA PRESENTATION, ANALYSIS AND DISCUSSION .....</b>	<b>32</b>
<b>4.0 Introduction.....</b>	<b>33</b>
<b>4.1 Response rate for questionnaires.....</b>	<b>33</b>
<b>4.2 Interview response rate .....</b>	<b>34</b>
<b>4.3 Demographic data.....</b>	<b>34</b>
<b>4.3.1 Gender.....</b>	<b>34</b>
<b>4.3.2 Age.....</b>	<b>35</b>
<b>4.3.3 Level of education .....</b>	<b>36</b>
<b>4.3.4 Work experience .....</b>	<b>37</b>
<b>4.4 Types of white collar crime .....</b>	<b>38</b>
<b>4.4.1 Fraud.....</b>	<b>39</b>

4.4.2 Corruption .....	39
4.4.3 Embezzlement .....	40
4.4.4 Bribery .....	40
4.4.5 Cybercrime .....	40
4.4.6 Insider trading.....	41
4.4.7 Money laundering .....	41
4.5 Impact of white collar crime on business performance.....	41
4.5.1 Financial loss .....	42
4.5.2 Reputational damage .....	42
4.5.3 Job loss .....	43
4.5.4 Unfair competition .....	44
4.5.5 Erosion of trust.....	45
4.5.6 Increased regulatory scrutiny .....	46
4.6 Effectiveness of current white collar crime measures .....	46
4.6 Recommended approaches to tackle white-collar crime.....	48
4.6.1 Whistle blowing.....	48
4.6.2 Regular audits .....	48
4.6.3 Strong internal controls.....	49
4.6.4 Severe penalties and prosecution.....	49
4.7 Chapter summary .....	49
CHAPTER V .....	50
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....	50
5.0 Introduction.....	51
5.1 Summary of research findings .....	51
5.3 Conclusion .....	53
5.4 Recommendations .....	53

<b>5.5 Suggestions for further research .....</b>	<b>54</b>
<b>References .....</b>	<b>55</b>
<b>Appendix I .....</b>	<b>64</b>
<b>Appendix II.....</b>	<b>65</b>
<b>Appendix III .....</b>	<b>68</b>

## **LIST OF TABLES**

Table 1: Displaying the total population, the size of the sample and percentage .....	28
Table 2: Questionnaire response rate .....	33
Table 3: Interview response rate .....	34
Table 4: Age of respondents.....	35
Table 5: Types of white collar crime .....	38
Table 6: Impact of white collar crime on business performance .....	41
Table 7: Response on how effective are white-collar crime control measures set at TM Pick n Pay Bindura branch.....	46

## LIST OF FIGURES

Figure 1: The Fraud Triangle .....	18
Figure 2: Gender of respondent .....	34
Figure 3: Highest level of education .....	36
Figure 4: Work experience .....	37
Figure 5: Response on whether white collar crime results in financial loss at TM Pick n Pay Bindura branch.....	42
Figure 6: Response on whether white collar crime results in reputational damage at TM Pick n Pay Bindura branch.....	42
Figure 7: Response on whether white collar crime results in job loss at TM Pick n Pay Bindura branch.....	43
Figure 8: Response on whether white collar crime causes unfair competition at TM Pick n Pay Bindura branch.....	45
Figure 9: Response on whether white collar crime causes erosion of trust at TM Pick n Pay Bindura branch.....	45
Figure 10: Response on whether white collar crime results in increased regulatory scrutiny at TM Pick n Pay Bindura branch .....	46

## **LIST OF APPENDICES**

APPENDIX I: .....	Consent form
APPENDIX II: .....	Questionnaire
APPENDIX III: .....	Interview guide



## **CHAPTER I**

### **INTRODUCTION**

#### **1.0 Introduction**

The purpose of this chapter is to explore the impacts of white collar crime on business performance first by reviewing the background of the study, problem statement, purpose of the study, research objectives, research questions, significance of the study, assumptions, delimitations of study and limitations of the study. Further, the definitions of terms, the structure of the research report and the summary of the study are also highlighted.

#### **1.1 Background of the study**

White collar crime has been an enduring and vexing problem that has impeded the growth of the economy and has accelerated at an increasing rate since the mid-nineteenth century (Crumbley, Billings and Knoff, 2022). The rise in white collar crimes, such as embezzlement, money laundering, fraud and corruption, has highlighted the need for a comprehensive understanding of their impact on a business's financial, reputational and operational aspects (Tookitaki, 2023). These crimes cost governments, civilians, major corporations and small businesses more than \$10 trillion annually worldwide (McFayden, 2010). The financial impact of white collar crime in the United States is estimated to be in the hundreds of billions of dollars, while the overall costs, which cannot be precisely quantified, are believed to be even higher (Cohen, 2016). According to the Federal Bureau of Investigation estimate, white collar crime costs the US economy over \$300 billion annually (Lawshelf, 2024). As per the Association of Certified Fraud Examiners (2023), organisations globally experience a financial loss equivalent to approximately 5% of their annual revenues due to occupational fraud. This means that for every one million dollars a company earns, up to \$50,000 is taken away by someone committing white collar crimes (Rosen, 2016).

Although white-collar crime is not new, it has gained more public exposure as a result of the media coverage it has received over the past 20 years from high profile cases like

Enron scandal, Bernie Madoff scandal, as well as the Tyco international scandal, among others (Hayes, 2023). According to Segal (2023), the Enron scandal was primarily the result of unethical and fraudulent accounting practices, in which Enron inflated its profits and masked its debts to deceive investors and regulators. These practices eventually led to the company's bankruptcy and the loss of thousands of jobs. Sukkersudha (2023) pinpointed that Bernie Madoff defrauded thousands of investors by promising consistently high investment returns. In reality, Madoff was using new investors' money to pay off returns to older investors, giving an illusion of profitable strategy. When the scheme collapsed it resulted in an estimated \$65 billion investor losses.

The Tyco international scandal entailed widespread financial misconduct, including unauthorised loans, fraudulent accounting practices and misappropriation of company funds by the management team. These fraudulent activities resulted in billions of dollars in losses for investors and contributed to the company's eventual downfall (Pandey, 2023).

According to the Australian Securities and Investments Commission (ASIC), Australia has been described as a 'paradise' for white collar crime. The Australian Federal Police estimated that organised fraud costs the Australian economy approximately \$6.3 billion per year, though this figure may be an underestimate as firms often prefer to address white collar crimes internally to avoid reputational damage. Additionally, a 2014 global survey by Pricewaterhouse Cooper found that 57% of surveyed Australian organisations had experienced white collar crime within the previous two years, with over a third of those organizations losing more than \$1 million as a result. (Senate Economics References Committee, 2017). These illicit activities have the potential to deplete personal savings, destroy enterprises, escalate consumer expenses and trigger economic downturns (National University, 2018).

There have been a significant number of financial scandals that have been witnessed in Africa as well. The Goldenberg scandal in Kenya during the 1990s involved a complex web of corruption and fraud. It revolved around gold and diamond exports, where certain individuals colluded to exploit export compensation policies. The scandal led to massive financial losses and significantly impacted the Kenyan economy (Grynberg and Singongo, 2023). Moreover, in East Africa the Tanzania Revenue scam emerged in 2014

which involved a network of corrupt government officials collaborating with businessmen to engage in fraudulent activities. The officials manipulated the country's tax collection process, diverting large sums of money from the national revenue authority. The scandal exposed systemic corruption within the government and led to the dismissal and prosecution of several officials (Kabendera and Anderson, 2014).

Zimbabwe has also been plagued by several white-collar crime scandals in organisations that have had significant impacts on the country's economy. It has experienced an average cumulative loss of \$515 million per year due to white-collar crime, with a total outflow of US\$4.125 billion between 2000 and 2008 through illicit financial transactions (The Herald, 2015). In 2019, twenty-eight bank employees were arrested for allegedly swindling Nedbank Zimbabwe of over US\$1.1 million. They were accused of swapping depositors' US-dollar bank balances with electronic money (RTGS) in an elaborate scheme. An audio transcription published by Pindula (2019), an online publication, suggested that the bank's management also orchestrated the fraud, implicating junior employees. Moving on, in 2020, CABS Bank, a subsidiary of the financial services group Old Mutual Zimbabwe, fell victim to a cyber heist. A customer named Reuben Mpofu was defrauded over \$26,000 to cybercrime after criminals exploited a vulnerability in the bank's systems, allowing them to make unauthorised transactions and transfer funds to offshore accounts. The incident resulted in significant financial losses for the bank and raised concerns about the overall cybersecurity readiness of Zimbabwean financial institutions (Mudzingwa, 2019).

White collar crime has detrimental effects on the overall business performance worldwide, on a regional scale, as well as within local communities (Mugari et al., 2023). According to the National Retail Federation, fraud alone is estimated to cost retailers \$17.8 billion yearly, equivalent to nearly 2% of all retail sales (Aubele, 2023). In addition to fraud, other white-collar crime activities can also impact retail stores. These may include employee theft. According to the US Department of Commerce every year, businesses lose \$50 billion as a result of employee theft. To obtain a thorough comprehension of the repercussions of white-collar offenses and address them, it was imperative to delve into the impacts it has on the overall business performance with a focus on TM Pick n Pay Bindura branch.

## **1.2 Statement of problem**

White collar crime poses a significant threat, causing substantial financial harm to individuals, communities, businesses, and government entities (Mugari et al., 2023). According to Johnston (2023) white-collar crime is a serious problem that costs the global economy up to \$1.7 trillion each year. Businesses can lose nearly five percent of their revenue to fraud each year. Ruwende (2012) writing in the Herald newspaper mentioned that Zimbabwe incurs a cumulative loss of \$515 million annually to white collar crime. The most forms of white collar crime that have existed at the front-line of organisations today range from corruption, tax evasion, bribery, financial fraud and procurement related fraud. As a result, numerous organisations have become a target to fraudsters. This calls for adequate focus on internal and management controls by business organisations (Sunday News, 2018).

Following a massive rise in white collar crime, practitioners fighting white collar crime have encouraged the government to review guidelines and develop preventative measures. Law enforcement agencies, individuals and are lagging in methods and implementation to prevent white collar crime (Buwerime and Nkala, 2022). According to Masarurwa (2021) writing in Herald newspaper mentioned that regulators such as the Insurance and Pensions Commission (IPEC) have enforced guidelines to curb white collar crime. However, organisations continue to be plagued by white collar crime, as these measures have not been sufficiently effective.

## **1.3 Purpose of study**

This study aims to identify and analyse the impact of white-collar crimes on business performance in financial institutions and explore preventive measures to mitigate these crimes.

## **1.4 Research Objectives**

1. To identify the type of white-collar crimes that affect business performance at TM Pick n Pay Bindura branch
2. To outline the effects of white-collar crime that affect business performance at TM Pick n Pay Bindura branch
3. To determine the effectiveness of strategies that have been put in place to fight white-collar crime at TM Pick n Pay Bindura branch

4. To identify ways of combating white-collar crime affecting business performance at TM Pick n Pay Bindura branch

### **1.5 Research Questions**

1. What types of white-collar crime occur at TM Pick n Pay Bindura branch?
2. What is the impact of white-collar crime on business performance at TM Pick n Pay Bindura branch?
3. How effective are white-collar crime control measures set at TM Pick n Pay Bindura branch?
4. What preventive measures can be recommended to combat white-collar crime at TM Pick n Pay Bindura branch?

### **1.6 Significance of study**

This study holds significance for multiple stakeholders, such as TM Pick n Pay Bindura branch, the university, the government and regulatory authorities and the researcher.

#### **1.6.1 To business people**

This study will help business people, especially executives and managers, to recognise the potential risks and vulnerabilities within their organisations. It can allow them to implement appropriate prevention strategies, internal controls, and risk management practices to mitigate the effects of white-collar crimes and protect their businesses from financial losses and reputational damage.

#### **1.6.2 To Bindura University**

This study will contribute to the academic field by expanding the existing knowledge base and also serve as a foundation for further studies and scholarly debates on white-collar crime and its implications for business and society.

#### **1.6.3 To the government and regulatory authorities**

The findings of this research can be essential for government bodies and regulatory authorities responsible for enforcing laws and regulations related to white-collar crimes. By understanding the impact of these crimes on business performance, they can develop and implement more effective policies, legislation, and regulatory frameworks to prevent, detect, and prosecute white-collar crimes.

#### **1.6.4 To the researcher**

The study will lead to the researcher's personal and professional growth, enhancing their expertise and understanding of this field. In addition to this, the researcher may also develop practical recommendations and solutions that can be applied by businesses, regulators, and policymakers to mitigate the impact of white-collar crime on business performance.

#### **1.7 Assumptions**

- The researcher assumes that all participants will provide honest unbiased responses and provide maximum cooperation in the study so that they can obtain reliable findings.
- The researcher also assumes that the survey respondents will be knowledgeable about the topic of white-collar crime.
- The researcher assumes that TM Pick n Pay Bindura branch is a representative of other businesses being affected by white-collar crimes.
- The researcher assumes that the data collection methods which are going to be used in the study are reliable and will produce valid results.
- The researcher also assumes that the sample size will be large enough to produce reliable and valid results.

#### **1.8 Delimitations of the study**

This study specifically focused on the impacts of white collar crimes on business performance from 2018 to 2022. Only Bindura TM Pick n Pay branch will be included in the analysis while other organisations will not be considered. As a result, the study will not provide a comprehensive understanding of how white collar crimes affect the entire organisations in Zimbabwe. Future studies will be required to look into the prevalence and the ripple effects of white collar crime across all organisations within the country.

#### **1.9 Limitations of the study**

The study will be limited by a relatively small sample size, focusing solely on TM Pick n Pay Bindura branch. This may impact the generalizability of the findings to other organisations.

The study's findings may be limited by the availability and accessibility of data on white collar crime incidents and business performance indicators at TM Pick n Pay Bindura branch. Incomplete or unavailable data may impact the comprehensiveness and accuracy of the analysis.

### **1.10 Definition of terms**

#### **1.10.1 White collar crime**

According to Hayes (2023) white collar crime refers to financially motivated, nonviolent or non-directly violent crimes committed by individuals, businesses and government professionals.

#### **1.10.2 Fraud**

Fraud is an intentionally deceptive action designed to provide the perpetrator with an unlawful gain or to deny a right to a victim (Chen, 2022).

#### **1.10.3 Business performance**

According to Terpilowski (2022) business performance refers to a company's ability to achieve its objectives and generate profit from its resources.

#### **1.10.4 Embezzlement**

Embezzlement refers to a form of white-collar crime in which a person or entity intentionally misappropriates the assets entrusted to them (Hayes, 2023).

#### **1.10.5 Corruption**

According to Transparency International (2024), corruption is a form of dishonest or fraudulent conduct that involves the abuse of power or position for personal gain.

### **1.11 Chapter Summary**

This chapter has focused on examining the study's background, stating the problem, outlining the study's objectives, formulating research questions, establishing the assumptions that guide the study, highlighting the significance of the study, specifying the delimitations and limitations, and providing definitions for key terms within this chapter.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter thoroughly analyses theoretical and empirical studies on the impact of white collar crime on business performance. It examines various theoretical frameworks such as general strain theory, fraud triangle theory, rational choice theory, social learning theory, and differential association theory to understand the underlying motivations and causes of white-collar crime. Additionally, it explores empirical studies that have investigated the financial and operational consequences of such crimes, including decreased profits, reputational damage, and compromised product or service quality. Moreover, this chapter highlights the types of potential measures that can be implemented to prevent white-collar crime. Lastly, it identifies the gap between previous studies and the current research, demonstrating the unique contributions that this study aims to make in expanding our understanding of white-collar crime in organisations.

#### **2.1 White collar crime defined**

The definition of white collar crime is ambiguous and poorly defined in literature (Holtfreter, 2005; Ragatz and Fremouw, 2010; Simpson 2019). The term “white collar crime” was first introduced by sociologist Sutherland in 1940 and he defined white collar crime as a crime committed by a person of respectability and high social status in the course of their occupation (Mugari, 2021). Due to its complexity, white collar crime has led to the introduction of alternative terms and the emergence of various categories. Among the commonly recognized categories are occupational crime and corporate crime, which are widely used (Mugari, 2021). Occupational crime refers to illegal activities committed by individuals while employed, involving actions like theft, fraud, and deception, both within and outside of their work environment (Mugari et al., 2023). Corporate crime is a criminal activity on behalf of a business organisation committed during the course of fulfilling the legitimate role of the corporation and in the name of



corporate profit and growth (Mugari et al., 2023). Those who commit these crimes are usually business professionals, such as employees, managers or executives (Rosen, 2016). These illicit crimes frequently involve deceit, manipulation and misuse of power, affecting businesses, governments, and individuals alike (Salnick Law, 2023).

However, Sutherland's definition of white-collar crime has faced criticism from some sources. Coleman and Moynihan have highlighted the controversial aspect of the definition due to the absence of clear criteria for identifying individuals who are considered "persons of respectability and status". It appears that Sutherland may have intended this to mean individuals without convictions for crimes other than white-collar offenses. Including the "high social status" element in the definition also contributes to confusion, as it seems to have a narrower meaning than its everyday usage implies (Monad University, 2019).

Hazel Croall another scholar argues that Sutherland's definition focuses too much on the social status of the offender and fails to adequately capture the full range of harmful activities that can be considered white-collar crimes. She suggests that white-collar crime should be understood as encompassing a wide range of offenses, including financial fraud, corruption, environmental pollution, and embezzlement. Croall's critique highlights the need for a broader and more inclusive understanding of white-collar crime that goes beyond the offender's social status and considers the various forms of harm caused by these offenses (Tabott, 2016).

Another common criticism of Sutherland's definition of white-collar crime is that it encompasses violations of the law that are not necessarily committed within one's occupation or profession. Furthermore, these violations are not limited to individuals belonging to the upper echelons of society or prestigious groups. For instance, tax evasion is not exclusively committed by high-status individuals but can also be carried out by individuals from middle or even lower social strata (Monad University, 2021).

## **2.2 Types of white-collar crime**

### **2.2.1 Embezzlement**

According to Cornwell Law School (2019) embezzlement is a form of financial crime involving the fraudulent taking of personal property or assets by someone entrusted with them. It typically occurs when a trusted individual, such as an employee or someone in

a position of authority, misappropriates funds or assets for personal gain. Embezzlement can range from small-scale incidents, such as a store clerk pocketing cash from a cash register, to large-scale cases where executives of large companies divert millions of dollars into personal accounts (Hayes, 2023). Pilon (2023) another scholar propagates that employees or business owners can steal or misappropriate resources by stealing customer credit card data, voiding transactions at the cash register and keeping the money for oneself, and overbilling customers and pocketing extra cash. It may take time before this betrayal of trust is uncovered, leading to significant financial damage (Yampolsky, 2023).

### **2.2.2 Fraud**

According to Longley (2018), fraud is dishonest acts that intentionally use deception to deprive another person or entity of money, property or legal rights. Fraud often occurs in professional or business settings, involving individuals who hold positions of trust or authority. These individuals may have access to sensitive information, financial resources, or control over business operations, which they exploit for fraudulent purposes (Texas Criminal Defense Group, 2023). The involvement of professionals and the business context further categorise fraud as a white-collar crime. A good high-profile case is that of TM Pick n Pay Supermarket, in which the company was defrauded of \$22 million through a sophisticated email hacking scheme in which fraudsters created a fake email address to impersonate TM Pick n Pay's finance manager and chief finance officer, instructing Steward Bank to process four payments totaling \$22 million (Razemba, 2021). In March 2021, TM Pick n Pay discovered the fraudulent transactions after the financial manager disputed the email, claiming it was doctored (Taruvunga, 2021).

### **2.2.3 Bribery**

According to Cornell Law School (2023), bribery is the act of offering, giving, receiving, or soliciting something of value with the intention of influencing the actions or decisions of an individual in a position of power or authority. It may be money, goods, rights in action, property, preferment, privilege, emolument, objects of value, advantage, or merely a promise to induce or influence a person's action, vote, or influence in an official or public capacity (Funk, 2011). Mohr (2022) another scholar pinpointed that in business and corporate sector bribery may involve paying bribes to

public officials or regulations to win contracts or expedite processes. A good case is that of Wicknell Chivhayo, a businessman who bribed former Zimbabwe Power Company (ZPC) ex-board chairman Stanley Kazhanje with \$10,000 to influence the award of the controversial Gwanda Solar Project (Taruvunga, 2021).

#### **2.2.4 Corruption**

According to Transparency International (2024), corruption is the abuse of entrusted power for private gain. Corruption can happen anywhere and involve anyone, including politicians, government officials, public servants, business people or members of the public. A good high profile case is that of former Harare City town clerk Tendai Mahachi along with seven others who were accused of criminal abuse of office by corruptly awarding tenders for rehabilitation of sewage works. Mahachi was acquitted by the Supreme Court (Nemukuyu, 2018). Another high profile case of corruption in Zimbabwe is former local government minister Ignatius Chombo, who faced six criminal charges related to corruption. The allegations included illegally asking land seekers to deposit money into his personal account and misrepresenting the allocation of housing stands (Ndoro, 2021).

#### **2.2.5 Cybercrime**

According to Kiener (2019), cybercrime is an act that violates the law, perpetrated using information and communication technology (ICT) to either target networks, systems, data, websites and technology or facilitate a crime. It encompasses a wide range of illicit activities, including identity theft, hacking and malicious software distribution. Retail supermarkets face various types of cyber-attacks, including supply chain attacks, malware targeting point of sale (POS) systems and phishing (Wolf, 2023). A notable high-profile case in the retail supermarket industry is that of OK Zimbabwe Money Wave System in which a man from Chitungwiza hacked OK Zimbabwe Money Wave System and stole \$70,000 (Chabuka, 2017).

#### **2.2.6 Money Laundering**

Money laundering is generally defined as the channelling of cash or other funds generated from illegal activities through legitimate financial institutions and businesses to conceal the original illicit source of such funds (Achim and Borlea, 2020). According to the United Nations Office on Drugs and Crime, the estimated amount of money

laundered globally in one year is 2-5% of global GDP, or \$800 billion-\$2 trillion (Criminal Law, 2024). According to Financial Crime Academy (2023), money laundering involves three distinct stages: placement, layering and integration. Criminals may use retail supermarkets as a front for illegal activities such as drug trafficking or organised crime and mix their illicit funds with legitimate sales revenue (eCommerce Fraud, 2023).

### **2.2.7 Insider Trading**

Insider trading involves illegally buying or selling securities based on confidential information not available to the public. This can include CEOs, directors, or other company insiders using their knowledge of a company's financial health or upcoming events to make trades that result in personal financial gain (Pandey, 2023)

## **2.3 Impacts of white collar on business performance**

The consequences of white-collar crime can be far reaching and detrimental to organisations. The devastating consequences of white-collar crime on business will be reviewed below.

### **2.3.1 Financial loss**

As of 2021, financial losses from white collar crimes are estimated at \$426 billion to \$1.7 trillion a year, with such a wide range of estimates due to most crimes being unreported (Flynn 2022). Individuals who fall victim to white-collar crime frequently experience substantial monetary damages that arise from deceitful investment schemes, embezzlement, or other forms of financial misconduct (Yampolsky, 2023). Moreover, white collar crimes often involve violations of various laws and regulations, such as securities law, tax laws, anti-money laundering regulations. As a result, organisations may face hefty penalties or fines imposed by regulatory authorities. In addition to regulatory actions, businesses by white collar crimes may also face civil lawsuits from shareholders, investors or customers seeking compensation for financial damages. These lawsuits can result in significant financial settlements against the business leading to further financial loss.

### **2.3.2 Reputational damage**

Reputation damage is a significant consequence for business professionals or companies affected by white-collar crime. According to Johnston (2023), when an

organisation is involved in a white-collar crime scandal, it erodes the trust of stakeholders, including customers, investors, employees, and the general public. The breach of trust can have long-lasting effects on the organisation's reputation. Customers may lose confidence in an organisation involved in white-collar crimes. They may choose to discontinue their business relationship with the organisation, losing customers and market share (Healy and Serafeim, 2019).

### **2.3.3 Job loss**

Workers employed by companies implicated in white-collar crime may encounter uncertainty or unemployment as a result of the adverse financial impact on the business. In instances of embezzlement or financial fraud occurring within a company, blameless employees may bear the brunt of downsizing or even the complete shutdown of the company (Yampolsky, 2023).

### **2.3.4 Erosion of Trust**

White collar crimes can erode trust in institutions, including businesses. When employees or executives engage in fraudulent activities, it undermines the trust of customers, investors, and other stakeholders. This loss of trust can lead to a decline in customer loyalty, investor confidence, and business relationships (National University, 2018).

### **2.3.5 Unfair Competition**

White collar crimes can distort market competition by giving an unfair advantage to businesses that engage in fraudulent practices. For example, corporate fraud or insider trading can manipulate stock prices, giving certain companies an unfair edge over their competitors. This can create an uneven playing field and hinder fair competition in the market (National University, 2018).

### **2.3.6 Increased Regulatory Scrutiny**

White-collar crimes often lead to increased regulatory scrutiny and tighter regulations. Regulatory authorities may impose stricter compliance requirements, audits, and reporting obligations on the affected business. Compliance costs can rise, diverting resources from other strategic initiatives and hindering growth (www.tookitaki.com, 2023).

## **2.4 Combating white-collar crime**

A number of strategies can be put into place to reduce the various forms of white-collar crime. The aforementioned measures include strong internal controls, ethical code of conduct, whistleblowing and raising public awareness.

### **2.4.1 Strong Internal Controls**

Internal controls are defined by Kenton (2023) as a set of policies, procedures, and practices implemented by an organisation to ensure the reliability of financial reporting, compliance with laws and regulations and the effectiveness and efficiency of operations. By implementing effective internal controls, companies can provide reasonable assurance that their financial statements are free from misstatements, whether due to errors or fraud (Risk Optics, 2023). These measures deter potential white-collar criminals within the organisation and provide crucial insights into areas susceptible to exploitation. These controls help deter and detect fraudulent activities by establishing segregation of duties, implementing checks and balances, conducting regular audits, and leveraging technology (Crumby Law, 2023).

### **2.4.2 Ethical code of conduct**

According to Reuters (2021), a code of conduct can be defined as a set of rules and guidelines that outline individuals' or organisations' expected behavior, values, and ethical principles. It provides a framework to inform ethical decision making for stakeholders within the organisation and outlines the guiding principles and values that should influence behavior and choices in daily activities. According to Aydin (2009) creating effective and transparent company policies, which outline how employees should conduct themselves in business matters, and promoting strict work practices, would contribute to combating white collar crime activities.

To increase awareness about the presence and impact of crimes, and to prevent any potential confusion among employees, companies should implement 'codes of conduct' that clearly and explicitly define ethical principles. This approach is essential in their efforts to combat white-collar crimes, as relying solely on legal regulations to address certain irregularities associated with white-collar offenses is insufficient. Developing and enforcing a clear code of conduct that outlines expected ethical behavior and

consequences for non-compliance helps prevent white collar crime activities within an organisation (Saquella, 2023).

### **2.4.3 Whistle-blowing**

Whistle blowing is the disclosure by organisational members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organisations that may be able to effect action (Gottschalk and Smith, 2016). Whistleblowers play a vital role in aiding corporations, investigators, and prosecutors in identifying and pursuing legal action against individuals involved in white-collar crimes (Mickelsen, 2019). According to Homman (2022) whistleblowers can take various actions to address wrongdoing or unlawful behavior, such as reporting it to the appropriate authorities like a supervisor, hotline. They can also refuse to engage in wrongful activities, provide testimony in legal proceedings, or disclose evidence of misconduct to the media.

### **2.4.4 Regulatory compliance**

Cole (2022) defines regulatory compliance as an organisation's commitment to following the laws, regulations, guidelines, and specifications that are applicable to its business operations. Ensuring regulatory compliance involves making sure that the organisation operates within the boundaries of the law and fulfills the obligations and standards established by regulatory bodies. This includes meeting the necessary requirements, implementing the required protocols and procedures, and maintaining proper documentation and reporting to demonstrate compliance with the relevant regulations. Compliance serves the dual purpose of reducing legal risks and fostering a culture of responsibility, thereby discouraging both internal and external fraudulent activities (Tookitaki, 2023).

### **2.4.5 Employee Education and Training**

It is essential for employees to receive comprehensive training to ensure their complete understanding of white collar crimes, including their prevention, reporting, and the potential consequences for engaging in such activities (Bhunu, 2018). Training programs should emphasise equipping employees with the skills to recognise indicators or signals that could suggest the occurrence of white-collar crimes. These indicators may manifest as unexplained variations in financial records, unusual conduct

exhibited by colleagues, or transactions that raise suspicion (Gallagher, 2023). It is important to provide employees with education on various forms of white-collar crimes, including money laundering, fraud, embezzlement, and insider trading. This knowledge will empower them to effectively recognise and report any dubious activities occurring within the organisation (Tookitaki, 2023).

#### **2.4.6 External audit**

GoCardless (2021) defines an external audit a procedure carried out by an independent body or company to inspect and assess the financial statements and records of a business or organisation. External audits are designed to identify financial irregularities, including fraudulent activities. Auditors review financial statements, transactions, and internal controls to detect any signs of embezzlement, misappropriation of funds, or other fraudulent practices. Their expertise and experience enable them to identify red flags and patterns that may indicate white-collar crime (Economic journal, 2023).

#### **2.4.7 Data analytics and Artificial Intelligence**

Whiney (2022) suggests that with the increasing complexity and sophistication of white-collar crimes, organisations need advanced tools and techniques to detect, prevent, and investigate such offenses. Utilising advanced data analytics and AI technologies is crucial for detecting fraudulent activities. AI algorithms can analyse large datasets, pinpoint anomalies, and alert about suspicious transactions promptly, enabling timely intervention. AI-powered algorithms can also bolster cybersecurity measures by detecting and preventing unauthorised access, identifying weaknesses, and mitigating cybercrime risks (Tookitaki, 2023).

#### **2.4.8 Public awareness**

According to Louvier (2022) public awareness involves disseminating information and educating the public to increase their understanding and recognition of a specific problem or concept. When individuals are informed and educated about the various forms of white-collar crime, their consequences, and how to recognise and report suspicious activities, it can significantly contribute to prevention and detection efforts. Public awareness campaigns can educate individuals about the common signs and red flags of white-collar crime. This includes understanding fraudulent schemes, such as Ponzi schemes, insider trading, or embezzlement, and recognising warning signs like



unexplained wealth, inconsistent financial statements, or unethical business practices. Public awareness campaigns can encourage individuals to report any suspicious activities they come across. This can be done through hotlines, anonymous tip lines, or reporting mechanisms provided by regulatory bodies or law enforcement agencies. Reporting helps authorities investigate potential white-collar crimes and take appropriate action.

## **2.5 Theoretical framework**

The occurrence of white-collar crime has been the subject of various criminological theories. This study was influenced by several theories, including the general strain theory, rational choice theory, social learning theory, and differential association theory. These theories aim to explain the factors that contribute to the occurrence of white-collar crime.

### **2.5.1 General strain theory**

General strain theory, developed by Robert Agnew, provides an explanation for why individuals engage in criminal behavior, including white-collar crime (Agnew et al., 2009). Agnew (1992) proposed three types of strain in his General Strain Theory (GST): (1) the inability to achieve valued goals, (2) the loss or threat of losing valued stimuli, and (3) the presence or threat of negative stimuli. These strains can lead individuals to experience frustration and other negative emotions like a sense of injustice. Without adequate coping mechanisms, such as cognitive, behavioral, and emotional strategies, individuals may resort to deviant behavior or criminal acts. According to General Strain Theory (GST), both individuals and corporations may engage in white-collar crime when they encounter difficulties in achieving their economic goals through legitimate means. In the context of white-collar crime, this can manifest as fraudulent activities, embezzlement, insider trading, or other forms of illegal behavior that aim to achieve financial gain or maintain a certain lifestyle. Moving on, this is particularly relevant for corporations whose primary objective is profit. Regardless of the level of profitability, cultural systems often encourage individuals to pursue economic goals beyond their current capabilities (Merton, 1995).

### **2.5.2 Fraud Triangle theory**

Fraud can be elucidated through the lens of the Fraud Triangle Theory, a conceptual framework introduced by Cressey which postulates that three critical elements precipitate fraudulent behavior: pressure, opportunity, and rationalisation (Mohottige et al., 2018). The element of pressure encompasses factors such as extravagant lifestyle choices, onerous financial circumstances, significant economic duress, or the burdensome demands from familial and occupational spheres (Setiawan et al., 2022). Such pressures can create a sense of desperation, leading individuals to consider fraudulent acts as a solution to their predicaments. The second element, opportunity, arises when vulnerabilities are present within an entity's internal controls. This can occur in scenarios where an individual's role in the workplace entails disproportionate dual authority without adequate segregation of duties within the financial process flow. For instance, if a single individual is responsible for the receipt, recording, and disbursement of funds, the potential for fraud escalates significantly. Rationalisation, the third component of the Fraud Triangle, pertains to the justifications that fraud perpetrators conjure to legitimise their illicit actions. This often involves a unilateral self-justification, such as the perception that engaging in fraudulent activities is acceptable because it is a common practice among peers or superiors within the organisation. In environments where the misuse of authority is prevalent and goes unchecked, resulting in the exploitation of company assets for personal gain, these actions may become normalised. The absence of reprimands or sanctions from the company can further entrench such unethical behaviors (Setiawan and Cholili, 2023).

#### **Figure 1: The Fraud Triangle**



Secondary source: (Reid, 2019)

### **2.5.3 Rational choice theory**

Rational choice theory in criminology is rooted in the same utilitarian philosophy as deterrence, which is associated with the classical school of criminology developed by Cesare Beccaria (Bond, 2015; Paternoster 2010). Rational choice theory suggests that people choose to commit a crime after considering the costs and benefits associated with their actions, taking into account personal factors such as financial needs, a desire for revenge, anger, or entertainment, as well as the desire to avoid detection and punishment (Sigel, 2015). Given the premise of rational choice theory, which states that individuals commit crimes, including white-collar crimes, when they perceive the rewards to be greater than the punishments, it can be argued that crime may appear as the most rational choice for individuals who are driven by pleasure-seeking. These individuals believe that the rewards of the crime are worth the potential punishments, aligning with the principles of rational choice theory that this research follows (Higgins, 2023).

### **2.5.4 Social learning theory**

The social learning theory is one of the key theoretical models that explain how people become involved in committing crimes (LawBirdie, 2023). According to the social learning theory, individuals acquire knowledge of criminal behavior by observing and emulating others who partake in illegal activities. This theory suggests that white-collar criminals have witnessed others engaging in unlawful conduct and have acquired the

necessary skills to replicate such actions through observation and learning (Singh and Kohli, 2021). Exposure to a corporate culture that prioritises profit above all else may have taught them to engage in unethical behavior. Furthermore, social learning theory also explains how individuals rationalise and neutralise their involvement in white collar crimes. Neutralisation techniques refer to the cognitive strategies individuals use to justify their deviant behavior and alleviate guilt or moral concerns. These techniques may include denial of responsibility, denial of injury, and condemnation of the condemners. Through social learning, individuals may acquire and internalise these neutralisation techniques, enabling them to engage in white collar crimes while maintaining a positive self-image (Bartleby, 2018).

### **2.5.5 Differential association theory**

Differential association theory, proposed by Edwin Sutherland, is a criminological theory that explains criminal behavior as a learned behavior through association with others who engage in criminal activities (Gaylord and Galliher, 2020). According to Sutherland's differential association theory, individuals acquire criminal behavior through their social environment. By interacting with others, people learn the values, attitudes, techniques, and motivations for engaging in criminal activities. Sutherland's theory presents nine key principles that aim to explain how individuals learn criminal behavior, regardless of whether it is white-collar crime or any other form of crime. These nine principles seek to clarify the reasons and mechanisms behind individuals becoming criminals or participating in criminal acts.

- Criminal behavior is acquired through learning.
- Criminal behavior is learned through communication and interaction with others. The term "association" refers to the people an individual has been in contact with, which influences their behaviour.
- The most significant learning of criminal behaviour occurs within close personal groups. The closer the relationship, the stronger the influence.
- When learning criminal behaviour, individuals acquire both the techniques for committing the crime, which can range from simple to complex, and the specific motives, drives, rationalisations, and attitudes associated with it.
- The specific motives and drives for criminal behaviour are learned through favourable or unfavourable definitions of the legal codes. Everyone has both

definitions that support and oppose violating the law, leading to the term "differential" in differential association theory. This involves weighing the pros and cons of committing an act compared to not committing it.

- An individual becomes delinquent when they have more favorable definitions of violating the law than unfavorable definitions. Actual interactions with criminal patterns, separate from non-criminal patterns, reinforce or model this behavior.
- Differential associations can vary in terms of frequency, duration, priority, and intensity. These characteristics influence whether a person becomes a criminal. For example, more frequent and longer-lasting associations have a greater impact. Childhood experiences have a stronger influence than experiences later in life. The intensity of identification with specific associations also plays a role.
- The process of learning criminal behaviour through association with criminal and anti-criminal patterns involves the same mechanisms as any other form of learning.
- While criminal behaviour is influenced by general needs and values, those needs and values alone do not explain criminal behaviour, as non-criminal behaviour is also influenced by the same needs and values (Sutherland 1940; Brookes, 2021).

## **2.6 Empirical evidence of the study**

In a study conducted by Ishmael Mugari et al. (2023), the focus was on gathering the perspectives of citizens regarding white-collar crimes occurring within local authorities in Zimbabwe. The study aimed to explore how citizens perceive the prevalence, causes, and impacts of white-collar crimes. Data was collected from a targeted sample of 315 rate payers. The findings indicated that corruption, embezzlement, and fraud were the primary types of white-collar crimes observed in local authorities. The main driving forces behind these crimes were identified as poverty, inadequate internal controls, and individuals' greed. The study further revealed that the consequences of white-collar crimes included poor service delivery, decreased revenues, and increased expenditure. To address this issue, the study recommends implementing strategies such as encouraging whistleblowing, establishing robust internal control mechanisms, and conducting regular audits in local authorities.

In another study conducted by Gottschalk and Solli-Soether (2012), they explored the prevention of white-collar crime in business organisations by examining the knowledge and learning practices of chief financial officers (CFOs). The objective of their research was to gain insights into different prevention approaches and practices that could be influenced by a contingent approach. The study focused on the 500 largest companies in Norway in terms of annual turnover. The researchers sent open-ended questions to the CFOs of selected companies, and out of the 94 CFOs who responded, 49 stated that they would prevent white-collar crime by influencing the organisational culture, values, behavior, leadership, and ethics. Additionally, 45 CFOs mentioned the importance of internal and external control, guidelines and procedures, as well as audits and accounting in preventing white-collar crime.

Sajid Bashir et al. (2011) conducted a study on the factors that contribute to white-collar crime in the retail sector. Their research involved a literature review of white-collar crimes, with a focus on identifying the factors that determine the occurrence of such crimes in both public and private organizations. The study aimed to highlight the significance of white-collar crime in today's public sector organisations. According to the literature, the main causes of the prevalence of white-collar crimes include peer support, corporate culture, lack of accountability, and lack of reporting. The study concluded that employees who are aware of unlawful activities within the organisation can respond to it by either blackmailing the offender or blowing the whistle on them (Macey, 2007).

In a study conducted by Samuel Wei-Siew Liew et al. (2011), they investigated the causes of white-collar crime in Malaysia through a statistical analysis. Their research involved the distribution of surveys and questionnaires to both potential and existing investors to gather their perspectives on the issue. The findings revealed that one of the primary factors contributing to white-collar crime in Malaysia was the belief among individuals that competitors were offering bribes to secure prizes or lottery wins, and other perpetrators were simply imitating such behavior. The study also highlighted that many offenders engaged in white-collar crime due to the abundant opportunistic moments available to them. To address this issue, the study recommended that companies should prioritize the establishment of robust governance structures and

internal controls to minimize the likelihood of potential offenders finding opportunities to commit crimes within the organisation.

Cathrine Warhuus (2011) conducted a study on how auditing plays a role in detecting white collar crime. The purpose of the research was to uncover how white collar crime cases are detected, describe these cases in detail, identify the responsibilities of auditors in detecting white collar crime, outline the common methods used to detect white collar crime, and evaluate the role of auditing in this process. The study used descriptive case studies of various cases to gain insights and refine theoretical explanations. Out of the initial 44 cases, 28 were deemed to have sufficient information for drawing conclusions about auditor involvement. The study found that auditing was the least credited means of detection at 11%, with media detection and detection by some form of authority routine being more common at 21%. Whistle blowing was the most credited category for detection, accounting for 32% of cases. Interestingly, the study revealed a pattern of cooperation between the media and whistle blowers, with whistle blowers often being heard only after contacting the press.

Montgomery et al. (2008) conducted a study examining the use of computer technology as a means of managing fraud. The research involved gathering primary data from commercial banks through structured questionnaires. Computer technology offers various tools that can aid in preventing fraud, which falls under the category of white-collar crime. Transitioning from manual to automated controls, for example, does not require extensive system overhauls. Companies can greatly enhance their fraud prevention efforts by embracing new technologies such as data mining. Major credit card issuers use data mining methods to scrutinize purchases and spot possible fraudulent activities. Upon detecting unusual patterns, these companies contact the cardholder to confirm the recent transactions' legitimacy. The primary results of the research reveal that computer technology is a valuable asset in combating fraud, although it could also lead to a rise in fraudulent activities. With decreasing technology costs, ongoing auditing and other new technologies will offer further resources to strengthen fraud detection.

In 2006, Kathigesen Naicker conducted a research study in South Africa focusing on white collar crime. The main objective of the study was to identify the various trends of white collar crimes prevalent in South African companies. Additionally, it aimed to

provide internal auditors, directors, employees, and shareholders with a comprehensive understanding of white collar crimes. The research employed a survey method and utilized questionnaires as research instruments. Data collection was carried out across all sectors of the economy, including financial institutions, construction companies, mining companies, and retail shops. The findings of the study revealed that fraud was the most frequently committed white collar crime in South Africa. This encompassed various types of fraud such as general fraud, assets misappropriation, cheque fraud, and credit card fraud. Corruption and embezzlement were also identified as highly prevalent, while money laundering and cybercrime were found to have the lowest occurrence rates. The research further highlighted that all companies participating in the study had a moderate level of fraud reporting. The primary perpetrators of white collar crime were middle management and junior employees, as they were primarily involved in the day-to-day operations of the businesses. The study also indicated that almost 90% of the respondents had implemented a formal fraud policy, which served as a preventive measure against fraud. Whistleblowing activities were identified as the most effective means of detecting white collar crimes, whereas external auditing was the least effective. The study concluded by recommending the importance of training programs aimed at enhancing awareness and effectiveness in addressing white collar crimes (Naicker, 2006).

## **2.7 Gap analysis**

In their study, Mugari et al. (2023) focused on citizens' perspectives on the form, contributory factors and impacts of white-collar crimes on local authorities in Zimbabwe. However, other than whistle-blowing, internal controls, campaigns and segregation of duties, additional measures can be employed to achieve higher detection rates within organisations.

Moving on, Gottschalk and Solli-Soether (2012) conducted a study that examined how knowledge acquisition and learning can contribute to the prevention of white-collar crime but they did not emphasise the primary factors and categories of white collar crime prevalent within organisations. As a result, their study may not have fully captured the breadth and depth of the different forms of white collar crime that exist in organisational settings.



Sajid Bashir et al. (2011) examined the factors that lead to white collar crime within organisations. They discussed the use of blackmailing the offender as a method of preventing white collar crime. However, in certain countries where these actions are prohibited, white collar crime may continue to be prevalent.

In their study, Samuel Wei-Siew Liew et al. (2011) investigated white-collar crime, specifically conducting a statistical analysis to identify the prevalent factors contributing to such crimes in Malaysia. However, in Zimbabwe, addressing these issues can be challenging due to the involvement of top management in such activities and their acceptance of bribes. This situation arises from the economic crisis in the country, as individuals are unable to meet their financial needs and resort to finding alternative means of acquiring extra income

Furthermore, in 2011, Cathrine Warhuus conducted research exploring the significance of auditing in the identification of white-collar crime. However, besides auditing, the detection of such crimes can also be facilitated through the implementation of other measures by relevant authorities, as well as through the practice of routine monitoring and the act of whistle-blowing.

In their 2008 publication, Montgomery et al. examined the utilisation of computer technology as a means of managing fraud. Nevertheless, the effectiveness of employing computer technology may vary between developed and developing countries. This discrepancy arises from the challenges faced by developing countries in terms of limited resources and insufficient knowledge in utilising computer systems. Consequently, implementing computer technology in fraud management may encounter difficulties in developing countries due to these resource and knowledge constraints.

Lastly, Naicker (2006) focused on white collar crime in South Africa. He stated that the primary individuals responsible for committing fraud in white collar crimes are middle management and lower-level employees. However, in most organisations the top executives are the major culprits behind fraudulent behavior.

## **2.8 Chapter Summary**

This chapter provided an overview of the existing literature on white collar crime, including conceptual frameworks, relevant theories and empirical evidence. The emphasis was placed on previous research findings, case studies, and studies conducted

by researchers that support the current study. The upcoming chapter will discuss the methodology used to collect data for analysis and draw conclusions in the study.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Research methodology is a structured and scientific approach used to collect, analyse, and interpret quantitative or qualitative data to answer research questions or test hypotheses (Sreekumar, 2023). This chapter outlines the techniques and steps employed for collecting data and their evaluation, interpretation, and subsequent conclusions. The reliability of these conclusions heavily relies on the research design, data collection methods, and data analysis techniques employed. In order to address the challenges of our study effectively, we needed to determine appropriate approaches, including the selection of data collection tools, identification of the target population, determination of sampling methods, and specification of data analysis methodologies. Additionally, we thoroughly discussed the validity and reliability of the data collection instruments. Lastly, we concluded with a summary of the chapter.

#### **3.1 Research design**

A research design is a framework that includes the methods and procedures to collect, analyse, and interpret data (Bouchrika, 2024). This study adopted a descriptive survey design. Ranganathan and Aggarwal (2018) define descriptive research as one that is designed to describe the distribution of one or more variables without regard to any causal or other hypothesis. It is carried out to describe current issues, programs, and provides information about the issue through surveys and various fact-finding methods (Troy, 2021). This method was considered appropriate and applied to the study because the study involves interacting with the population of interest for them to assess the impact of white collar crime on business performance.

#### **3.2 Study population**

Bhandari (2020) defines a population as the entire group that we want to draw conclusions about. The population of this study consisted of employees of TM Pick n

Pay Bindura branch in various levels of employment that is the top, middle and low level management. A total of 40 employees was used in this study.

### **3.3 Population sample**

Sampling is a technique of selecting individual members or a subset of the population to make statistical inferences from them and estimate the characteristics of the whole population (Fleetwood, 2018). Due to financial costs and time, it was impossible to conduct a survey on the entire population and there was need for sampling. Twenty-three employees of TM Pick n Pay Bindura were used as the respondents of the survey.

**Table 1: Displaying the total population, the size of the sample and percentage**

<b>Total population</b>	<b>Sample size</b>	<b>Percentage %</b>
40	24	60%

**Source: Primary data**

### **3.4 Sampling techniques**

Gulzar (2023) provides a definition of a sampling technique as a statistical approach used for selecting a representative sample from a population. The process involves conducting a thorough analysis of the data collected from the population and using that information to carefully select an appropriate sample. In this survey, the researcher used stratified random and purposive sampling techniques to select the participants.

#### **3.4.1 Stratified random sampling**

The chosen sampling technique was stratified random sampling. This method was employed when distributing questionnaires to TM Pick n Pay employees. The researcher created different strata or groups based on management departments, including store operations, purchasing and procurement, inventory management, sales and marketing, finance and accounting, and the IT department. Representatives were randomly selected from each stratum to gather the required information about each specific group. By using this sampling technique, the researcher aimed to obtain results that would be representative of the entire population, as if the entire population had been included in the study.

### **3.4.2 Purposive sampling**

The purposive sampling technique was employed during personal interviews, specifically targeting managers as the primary participants. This approach was chosen because the managers were expected to possess the necessary knowledge and insights to answer the research questions outlined in the manager's interview guide. The technique was selected to facilitate simultaneous data review and analysis, as well as to obtain primary data from a specific group of respondents representing certain professions.

## **3.5 Research instruments**

In this study, the research instruments are tools utilised to collect and gather data in order to address the problem being investigated. For data collection purposes, the researcher employed questionnaires and interviews as research instruments.

### **3.5.1 Questionnaires**

According to Bhat (2024) a questionnaire is a research instrument that consists of a set of questions or prompts designed to collect information from respondents. Questionnaires were distributed to the employees of TM Pick n Pay Bindura. The participants were provided with questionnaires that guided them in providing responses regarding the impact of white collar crime on business performance. The questions in the questionnaires were designed as closed-ended questions to prevent unnecessary and irrelevant responses.

### **3.5.2 Advantages of questionnaires**

- The researcher found that questionnaires were an efficient way to collect data from a large number of participants. They could distribute the questionnaires to a wide audience simultaneously, saving time and effort.
- Participants were able to maintain their anonymity while responding to the questionnaire. This encouraged honest and uninhibited responses, particularly when sensitive or personal information was being collected. The researcher assured participants that their responses would be kept confidential.
- The use of questionnaires allowed the researcher to collect data at a relatively low cost. They didn't require extensive resources or personnel, making them a cost-effective method for data collection.

- Using questionnaires, the researcher ensured that each participant received the same questions in a standardised format. This helped maintain consistency in data collection and reduced the potential for bias or variations in responses.

### **3.5.3 Disadvantages of questionnaires**

- The researcher found that questionnaires often provided limited response options, which might not fully capture the complexity or nuances of participants' perspectives. This could potentially restrict the depth of data collected and limit the researcher's understanding of the topic.
- The researcher faced challenges in interpreting the responses to open-ended questions in the questionnaire. The lack of context or follow-up discussions made it difficult to fully understand participants' intentions or motivations, potentially leading to misinterpretations or incomplete analysis.
- Despite efforts to encourage participation, the researcher encountered non-response bias, where some participants chose not to complete the questionnaire. This could introduce a bias in the data collected, as those who chose not to respond might have different characteristics or perspectives compared to those who did.
- Questionnaires sometimes lacked the opportunity for participants to seek clarification or ask for further explanations. This could lead to misunderstandings or incomplete responses, impacting the quality and accuracy of the data collected.

### **3.6 Interviews**

An interview is a qualitative research method that involves conducting in-depth individual interviews with a limited number of participants to delve into their viewpoints on a specific concept, program, or situation (Boyce and Neale, 2006). Interviews were done to give TM Pick n Pay departmental managers to give them a voice in the research process allowing them to share their experiences directly with the researcher. Open ended questions were used to allow the participants to provide their own responses without being influenced by expectations of the researcher.

### **3.6.1 Advantages of interviews**

- Interviews enabled participants to provide additional details and allowed the researcher to adjust questions based on responses.
- Interviews fostered open dialogue, allowing for clarification and deeper exploration of the impact of white collar crime on business performance.
- Interviews improved participation rates by accommodating individuals with limited literacy skills.

### **3.6.2 Disadvantages of interviews**

Interviews were time-consuming due to interview length, travel, and note-taking. To save time, the researcher employed more closed-ended questions.

Interviews were susceptible to bias as participants may have provided socially desirable responses. To address this, the researcher paid closer attention to non-verbal cues.

Interviews were relatively expensive and time-consuming. To mitigate costs, the researcher conducted a pilot study and scheduled interviews during participants' breaks or lunch hours to minimise interruptions.

### **3.7 Data collection procedures**

According to the Dovetail Editorial Team (2023) data collection is the process of gathering information from various sources via different research methods and consolidating it into a single database or repository. Data collection was undertaken solely by the researcher through the administration of questionnaires and personal interviews with the aid of an interview guide. The researcher included a consent letter at the beginning of the questionnaire, which contained the name of the student, program, institution name, and the research topic being investigated. The questionnaires were administered using the drop and pick method. The questionnaires were handed over to the TM Pick n Pay Bindura branch by the researcher, with the intention of having them distributed to the specific groups of respondents including the store operations, purchasing and procurement, inventory management, sales and marketing, finance and accounting, and IT department. After a period of seven working days, the questionnaires were collected. During the interview process, the researcher prepared a series of questions to be posed to the participants, and these responses were recorded.

### **3.8 Data presentation and analysis procedures**

According to Babajide (2022) data analysis refers to the process of systematic application of logical techniques and (or) statistical method to describe, illustrate, condense, recap and evaluate data. In this study, the researcher used qualitative and quantitative data analysis techniques. The responses obtained from interviews and questionnaires were modified, categorized, assigned codes, and organized into tables for quantitative data analysis. Microsoft Excel and the Statistical Package for Social Science (SPSS) were utilised for this purpose. The data was then visually presented using graphs, pie charts, frequencies and percentages to facilitate understanding. Additionally, qualitative aspects were subjected to content analysis to draw broader conclusions from the findings.

### **3.9 Chapter Summary**

This chapter covered various aspects of the research process, including the research design, research subjects, choice of research instruments, procedures for collecting data and methods for presenting and analysing the collected data.



## CHAPTER IV

### DATA PRESENTATION, ANALYSIS AND DISCUSSION

#### 4.0 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The studies' findings are presented to establish the impacts of white collar crime on business performance. The data was gathered exclusively from the questionnaire and interview guide as the research instruments. The discussion of the findings is guided by the objectives of the study.

#### 4.1 Response rate for questionnaires

The response rate for this study was calculated based on the number of questionnaires and interviews completed by participants. A total of 24 questionnaires were distributed, and 20 questionnaires were collected and returned. Table 2 illustrates the percentage of respondents who completed the self-administered questionnaires.

**Table 2: Questionnaire response rate**

Research subject	Questionnaire issued	Questionnaire answered	Response rate (%)
Top management	5	5	100%
Middle management	9	8	89%
Other	10	7	70%
<b>Total</b>	<b>24</b>	<b>20</b>	<b>83.3%</b>

**Source: Primary data**

**N=20**

The study targeted employees of TM Pick n Pay Bindura branch in collecting data with regard to establishing the impacts of white-collar crime on business performance. From

the study, 20 out of 24 sample respondents filled-in and returned the questionnaires making a response rate of 83.3%. For data analysis this response rate was sufficient.

#### 4.2 Interview response rate

The interviews were specifically aimed at managers within each department. Table 3 presents the response rate for the interviews.

**Table 3: Interview response rate**

Type of research instrument	Interviews Scheduled	Interviews done	Interviews not done	Response rate (%)
Interviews (Managers)	7	5	2	71.42%

**Source: Primary data (2024)**

The researcher utilised interviews in addition to questionnaires. The target was 7 department managers. Out of the 7 scheduled interviews with managers, 5 (71%) were successfully conducted, while 2 (29%) were not completed due to the managers' absence at work during the field research period. It is worth noting that the response rate from the interviews was quite remarkable, considering that I presented a letter from my school stating that the interviews were solely for academic purposes.

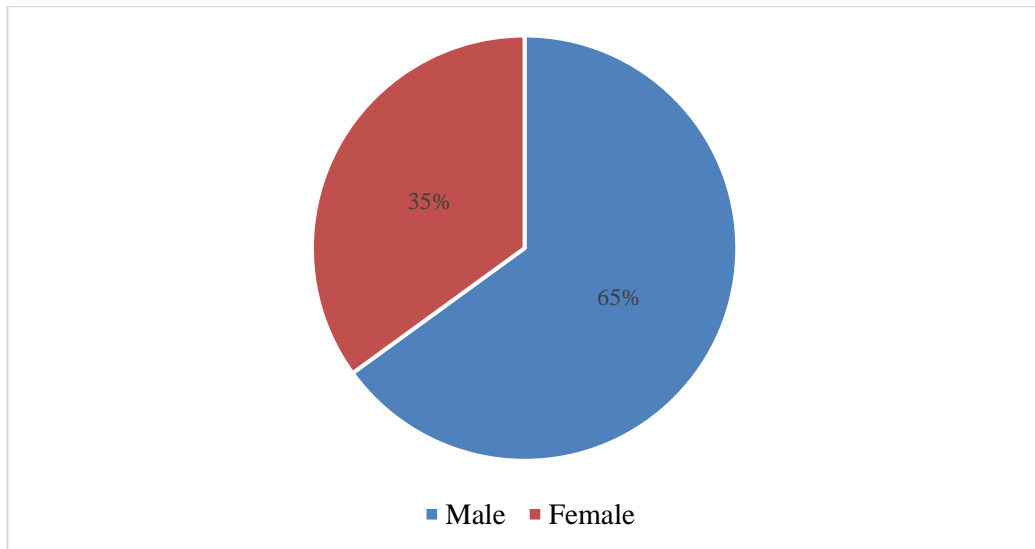
#### 4.3 Demographic data

This section covers information describing the basic characteristics namely; gender, age bracket, highest level of education and work experience.

##### 4.3.1 Gender

The study sought to establish the gender of the respondents who took part in TM Pick n Pay Bindura branch. The question of gender was considered important in the study primarily because it could help the researcher get a balanced view from both males and females.

**Figure 2: Gender of respondent**



**Source: Primary data**

**N=20**

The results regarding gender indicated that 65% of the participants were males, while 35% were females. This means that there were 13 male participants and 7 female participants. The research findings also highlighted that there was a 30% higher representation of male employees compared to female employees. Therefore, these gender statistics hold significant implications for this study.

#### **4.3.2 Age**

The study sought to investigate the composition of the respondents in terms of age brackets to understand their familiarity with the impact of white collar crime on business performance at TM Pick n Pay Bindura branch. Table 4 shows the results obtained from the study.

**Table 4: Age of respondents**

Age	Frequency	Percentage (%)
20 years or less	2	10%
21-30 years old	8	40%
31-40 years old	6	30%

41- 50 years old	1	5%
Above 50 years old	3	15%
<b>Total</b>	<b>20</b>	<b>100%</b>

**Source: Primary data**

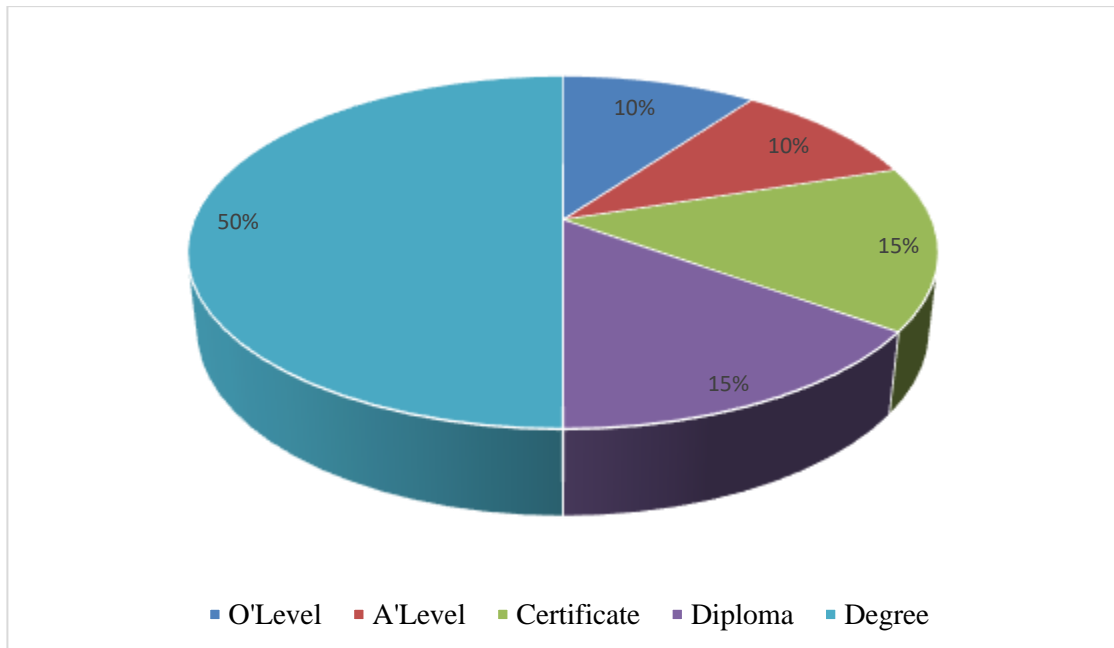
**N=20**

As seen in table 4, the majority of the respondents (40%) were of age 21-30 years and (30%) of 31-40 years, followed by (15%) those above 50 years, (10%) of 20 years or less and lastly 5% of age 41-50 years. The results show that most respondents have a high level of information, responsibility and leadership potential, enhancing the reliability and relevance of information collected. The study findings show that majority of the respondents were youthful young adults (21-30) years. Young (youthful) employees offer a cost-effective workforce since they are productive and more flexible. The study findings also reviewed a large portion of respondents were older employees (31-40) and 41-50 years. The older employees present experience, practical knowledge and expertise in the organisation towards white collar crime.

#### **4.3.3 Level of education**

The TM Pick n Pay Bindura branch, like other organizations, employs staff members in various work stations, each with different academic qualifications. This study aimed to determine the highest academic qualifications attained by the respondents. The results are presented in Figure 3 below.

**Figure 3: Highest level of education**



**Source: Primary data**

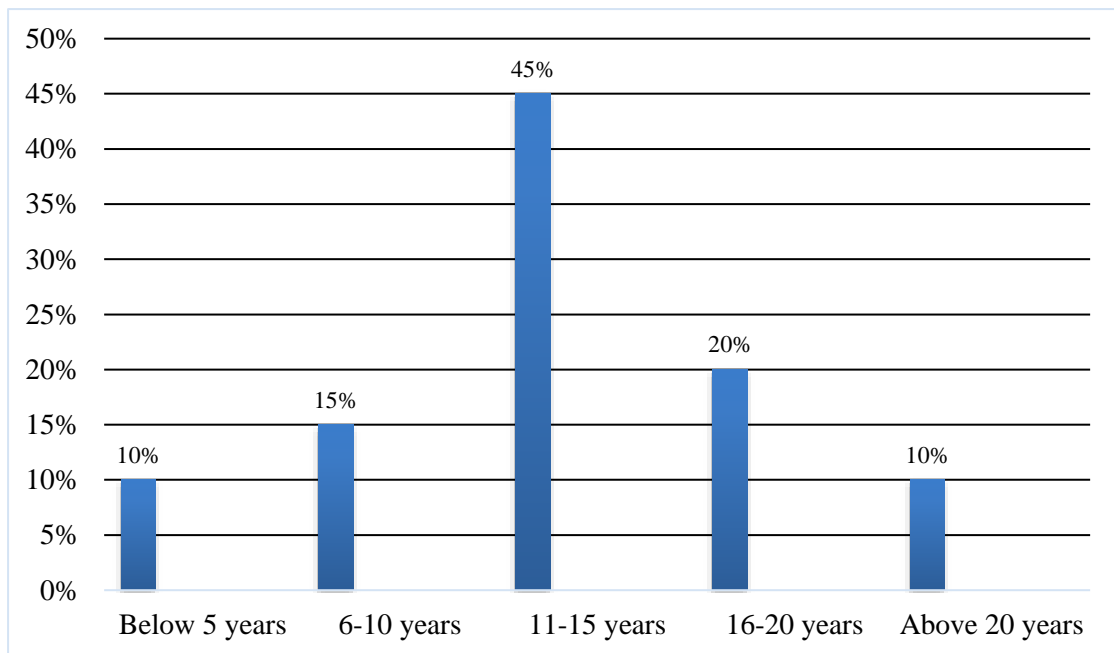
**N=20**

The findings of the study indicate that a significant proportion of the respondents have attained various levels of education. Among the participants, a majority of 50% reported that they have acquired a degree, demonstrating a high level of educational attainment. Additionally, 15% of the respondents indicated that they have acquired a certificate, while another 15% reported having obtained a diploma. A smaller proportion of the participants, comprising 10% each, stated that they had reached an ordinary and advanced levels of education, respectively. These findings highlight the diverse educational backgrounds of the respondents, reflecting a range of academic achievements within the surveyed population.

#### **4.3.4 Work experience**

The respondents were asked to indicate their length of service in the supermarket. The years of experience are important in examining the reliability of the information collected from a given population under investigation. The results are presented in figure 4 below.

**Figure 4: Work experience**



**Source: Primary data**

Figure 4 presents the distribution of respondents' work experience in the supermarket. The majority of participants, accounting for 45% of the sample, reported having worked in the supermarket for a period of 11-15 years, indicating a substantial level of long-term commitment to their employment. A significant proportion of 20% of the respondents had accumulated 16-20 years of work experience in the supermarket, further demonstrating a considerable duration of service. Following this, 15% of the participants reported having worked in the organisation for 6-10 years, reflecting a notable presence of mid-term employees in the supermarket. Additionally, 10% of the respondents had acquired extensive work experience of over 20 years in the supermarket, highlighting a group of highly tenured individuals. Lastly, another 10% of the participants had worked in the supermarket for fewer than 5 years, potentially representing newcomers to the organisation.

#### **4.4 Types of white collar crime**

The table 5 below shows the findings regarding the types of white collar crimes that have occurred at the TM Pick n Pay Bindura branch. These findings provide information on the major types of white collar crimes that have been experienced.

**Table 5: Types of white collar crime**

<b>Crime type</b>	<b>DN</b>		<b>NC</b>		<b>UC</b>		<b>C</b>		<b>VC</b>	
	<b>Freq</b>	<b>%</b>	<b>Freq</b>	<b>%</b>	<b>Freq</b>	<b>%</b>	<b>Freq</b>	<b>%</b>	<b>Freq</b>	<b>%</b>
Fraud	0	0	1	5%	4	20%	4	20%	11	55%
Corruption	1	5%	2	10%	3	15%	4	20%	10	50%
Embezzlement	2	10%	1	5%	4	20%	5	25%	8	40%
Bribery	1	5%	2	10%	3	15%	8	40%	6	30%
Cybercrime	1	5%	6	30%	2	10%	8	40%	3	15%
Insider trading	3	15%	2	10%	6	30%	5	25%	4	20%
Money laundering	4	20%	3	15%	6	30%	2	10%	5	25%

**Source: Primary data**

**N= 20**

**Key:** DNO - Does not occur, NC - Not common, UC - Uncertain, C - Common, VC - Very common

#### **4.4.1 Fraud**

Based on the survey results, the largest portion of respondents (75%) reported a high prevalence of fraud within the organization. Following this group, 20% of participants expressed uncertainty about its occurrence. Lastly, a smaller proportion (5%) stated that fraud is not a common phenomenon within the organization. The findings also relate to the conclusion drawn by Naicker (2006), who asserted that fraud is the most committed white collar crime in South African companies.

#### **4.4.2 Corruption**

According to the survey, 50% of the participants viewed corruption as a widespread issue, and 20% considered it a common occurrence. Around 15% of the respondents were unsure about the prevalence of corruption within the organization. Additionally,

10% of the participants believed that corruption was not common, and 5% stated that it did not exist. The interview participants were also of the view that cases of corruption are very common at TM Pick n Pay Bindura. The findings are in line with conclusions made by Mugari et al. (2023), in which they asserted that corruption is one of the primary white-collar crimes found in local authorities.

#### **4.4.3 Embezzlement**

Based on the survey findings, 40% of the participants perceived embezzlement as a highly prevalent issue, while 25% considered it to be a common occurrence within the supermarket. Around 20% of the respondents expressed uncertainty about the existence of embezzlement. Moreover, 10% of the participants stated that embezzlement does not occur within the supermarket, and 5% believed it to be uncommon within the organization. The interview respondents also shared the opinion that embezzlement is highly prevalent at TM Pick n Pay Bindura. This finding also concurs with Naicker (2006) findings that embezzlement is highly prevalent in South African companies.

#### **4.4.4 Bribery**

In terms of bribery, the largest portion of respondents (40%) indicated that it is a common occurrence. This was closely followed by 30% who described it as very common. A smaller percentage, around 15%, expressed uncertainty about the prevalence of bribery within the organization. On the other hand, 10% of the participants considered bribery to be uncommon, while 5% stated that it does not occur at all. The interview participants were also of the view that cases of bribery are very common at TM Pick n Pay Bindura. The findings concur with conclusions made by Mugari et al. (2023), in which they asserted that bribery is one of the white-collar crimes found in local authorities.

#### **4.4.5 Cybercrime**

Among the respondents, the largest share (40%) believed that cybercrime is prevalent within the organization. Following that, 30% held the opinion that it is uncommon. Approximately 15% considered cybercrime to be very common, while 10% expressed uncertainty about its prevalence. Lastly, 5% of the participants stated that cybercrime does not occur. However, these findings differed from the conclusions made by Naicker



(2006), who found that South African companies have lowest occurrences of cybercrime.

#### **4.4.6 Insider trading**

The majority of respondents had varying opinions on the prevalence of the topic. Approximately 30% of respondents expressed uncertainty about its prevalence, while 25% considered it to be common. Another 20% believed it to be very common, while 15% stated that it does not occur. Lastly, 10% of respondents regarded it as not common.

#### **4.4.7 Money laundering**

The majority of respondents (30%) indicated that were uncertain money laundering activities within the supermarket, followed by 25% who said it is very common, followed by 20% who said it does not occur, followed by 15% who said it is not common and 10% who were of the view that it common. Naicker (2006) established the same view in his study in South African companies indicating that there was a low occurrence of money laundering activities.

### **4.5 Impact of white collar crime on business performance**

Participants were requested to express their agreement levels regarding the identified impacts of white collar crimes. The researcher identified six impacts, namely financial loss, reputational damage, job loss, erosion of trust, and increased regulatory scrutiny. The outcomes were then presented in the table 6 below.

**Table 6: Impact of white collar crime on business performance**

	<b>SD</b>	<b>D</b>	<b>UC</b>	<b>A</b>	<b>SA</b>
Financial loss	5%	5%	10%	20%	60%
Reputational damage	5%	5%	15%	40%	35%
Job loss	0%	0%	5%	15%	80%
Unfair competition	5%	5%	15%	55%	20%
Erosion of trust	5%	5%	15%	45%	30%
Increased regulatory scrutiny	10%	10%	25%	30%	25%

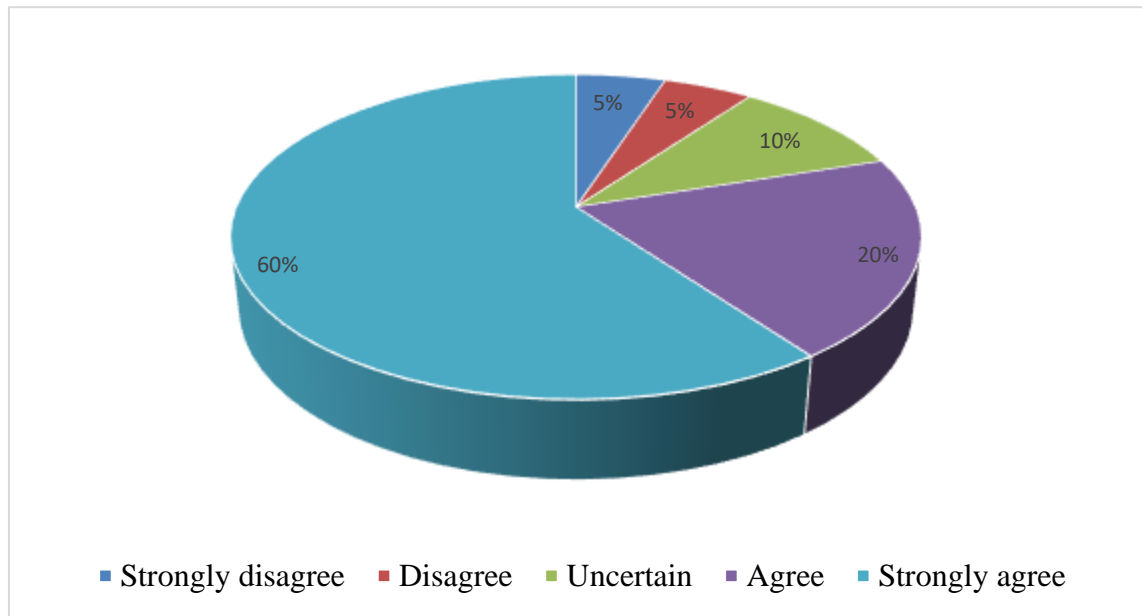
**Source: Primary data**

**N=20**

**Key:** SD - Strongly disagree, D - Disagree, UC - Uncertain, A - Agree, SA - Strongly agree

#### 4.5.1 Financial loss

**Figure 5: Response on whether white collar crime results in financial loss at TM Pick n Pay Bindura branch**



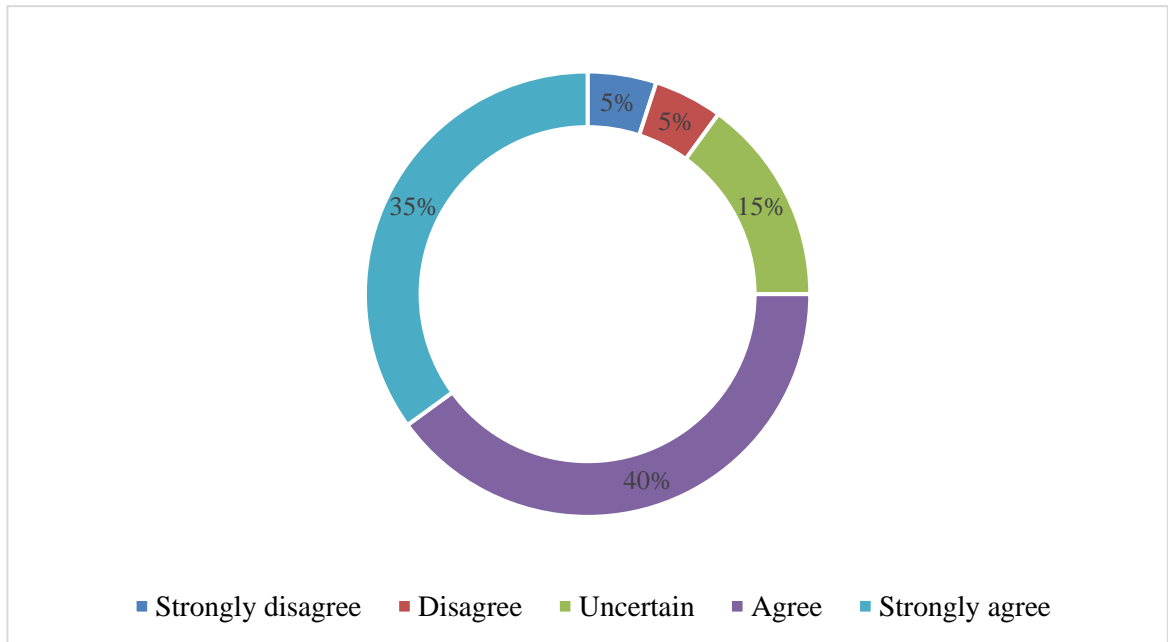
**Source: Primary data**

**N=20**

As seen in figure 5, the research findings indicate that majority of the participants (80%) agreed that white-collar crime leads to financial losses, while a small percentage (10%) disagreed and 10% were uncertain about this assertion. The interview respondents were also of the view that once a company become a victim of white-collar crimes it indicates poor internal controls to the world hence it will result in financial losses. This is subsequently in line with Gottschalk and Solli-Soether (2012) who in their discussion concluded that there is a degree of loss in organisations due to white collar crime activities.

#### 4.5.2 Reputational damage

**Figure 6: Response on whether white collar crime results in reputational damage at TM Pick n Pay Bindura branch**



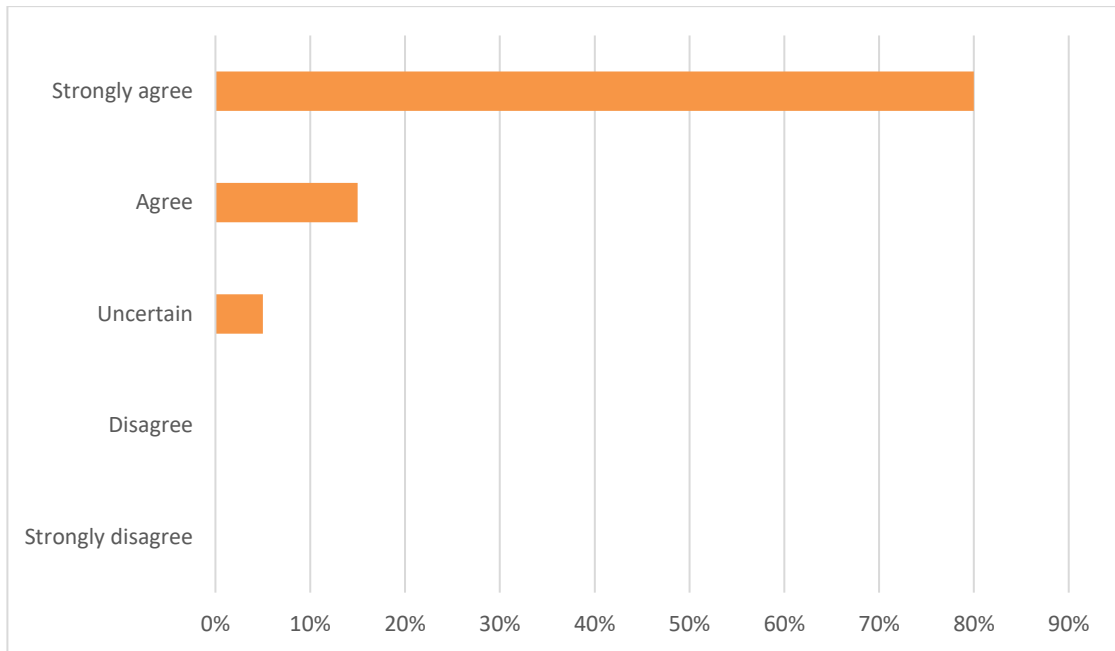
**Source: Primary data**

**N=20**

As seen in figure 6, most of the participants (75%) agreed that white-collar crimes have a negative impact on the reputation of a company. However, a minority (10%) of the respondents did not share this viewpoint and a few (15%) were uncertain about if white collar crime affect reputation of an organisation. Interview respondents emphasized that white-collar crime has a significant impact on the reputation of a company, leading to a substantial loss of customer loyalty and trust. As a result, many customers opt to take their business elsewhere, switching to competitors with a more trustworthy reputation, thereby further damaging the market share of an organisation and overall reputation. The same view has been suggested by Mugari et al. (2023) who indicated that white collar crime such as fraud and embezzlement erodes the reputation of the individuals and organisations involved.

#### **4.5.3 Job loss**

**Figure 7: Response on whether white collar crime results in job loss at TM Pick n Pay Bindura branch**

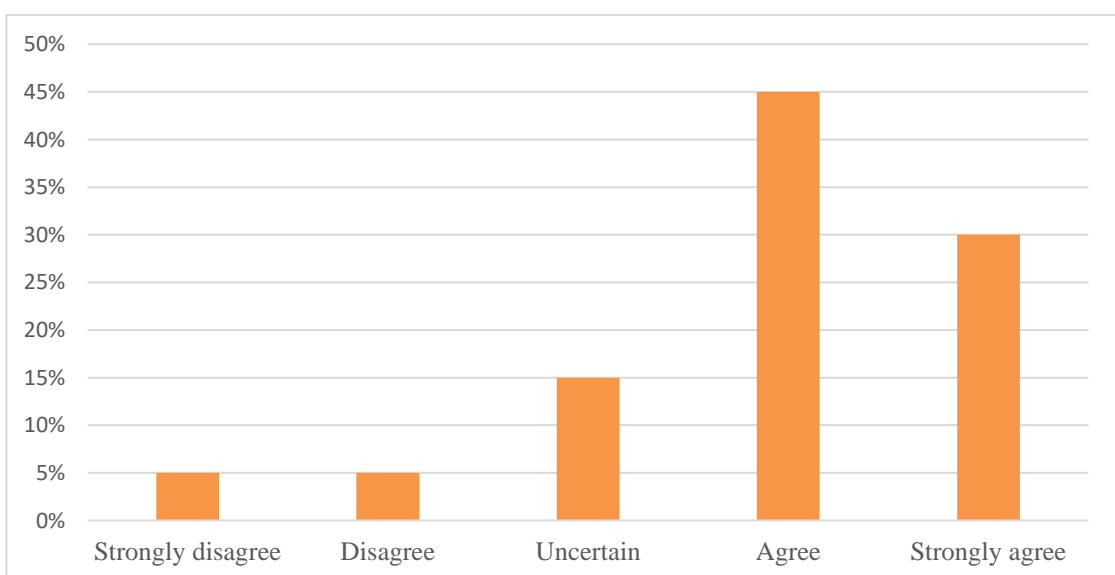


**Source: Primary data**

**N=20**

As seen in figure 7, none of the respondents disagreed on the view that white-collar crime leads to job loss. Majority of the respondents (95%) agreed that white collar crime causes job loss for individuals involved and a few (5%) were uncertain about this impact. Interview respondents supported this as they shared stories of former colleagues who lost their jobs due to involvement in white collar crime activities.

#### **4.5.4 Unfair competition**



**Source: Primary data**

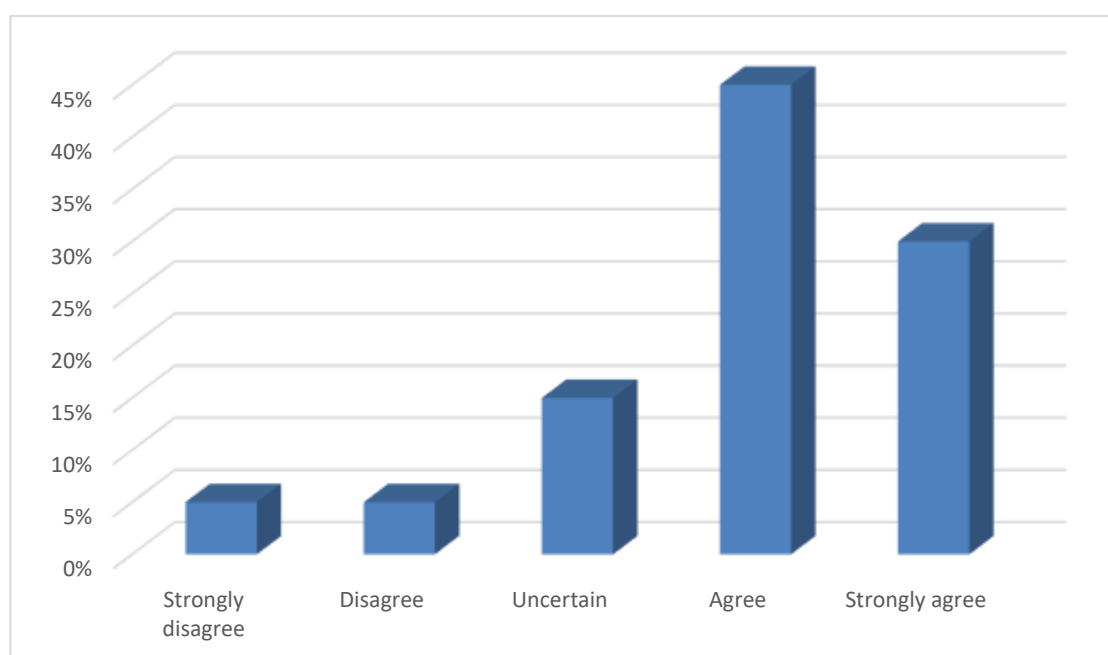
N=20

**Figure 8: Response on whether white collar crime causes unfair competition at TM Pick n Pay Bindura branch**

The research findings indicate that majority of the respondents (75%) agreed that white collar crime causes unfair competition within the market and small group of (10%) disagreed and 15% were uncertain about this assertion. The interview participants also expressed the belief that when a company becomes a target of corporate espionage, it leads to an unfair competitive landscape within the market.

#### 4.5.5 Erosion of trust

**Figure 9: Response on whether white collar crime causes erosion of trust at TM Pick n Pay Bindura branch**



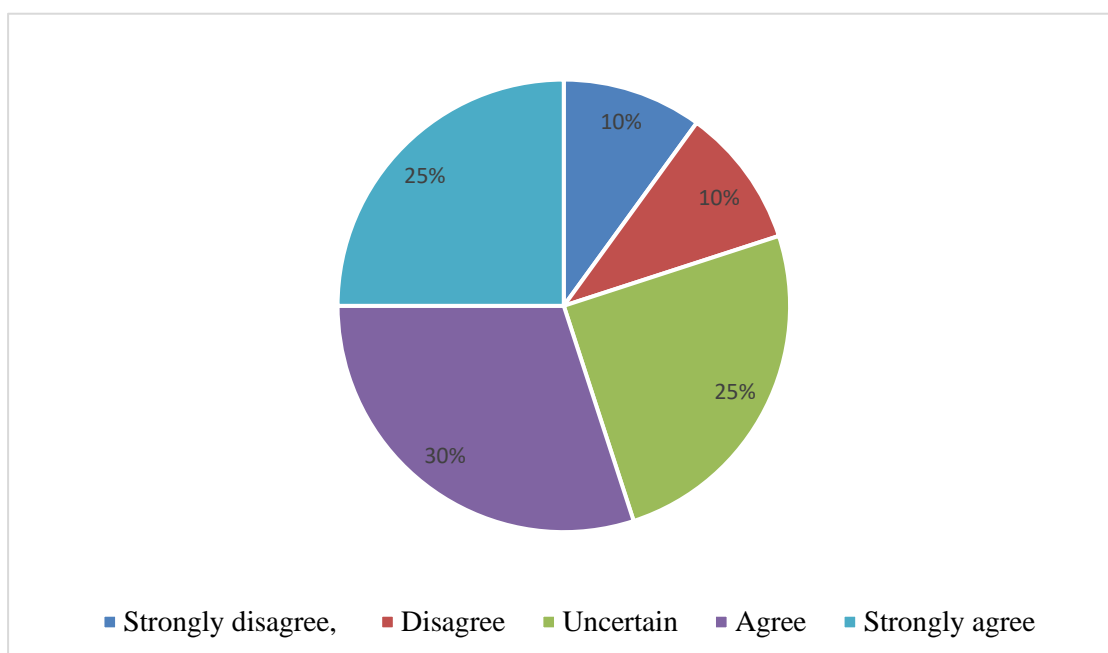
**Source: Primary data**

N=20

As seen in figure 9, the majority of the respondents (75%) agreed to the assertion white collar crime activities lead to erosion of trust, while a few (10%) believed to the view that it does not erode trust and followed by 15% who were uncertain of this assertion. The interview participants provided support for the assertion by sharing personal experiences in which their company fell victim to insider trading, resulting in the loss of trust from both investors and the general public.

#### 4.5.6 Increased regulatory scrutiny

**Figure 10: Response on whether white collar crime results in increased regulatory scrutiny at TM Pick n Pay Bindura branch**



**Source: Primary data**

**N=20**

As seen in figure 10, the majority of participants (55%) agreed to the view that white collar crime activities within an organisation results in increased regulatory scrutiny, followed by 20% who did not agree with this assertion and 25% who uncertain about it. The interview respondents supported this view by sharing cases whereby the company once fall into a victim of fraudulent business practices which led to the regulatory authorities to initiate thorough investigations into the company's operations.

#### 4.6 Effectiveness of current white collar crime measures

The results provided pertain to inquiries regarding the efficiency of the anti-white collar crime measures implemented by management. These findings shed light on the effectiveness of the current measures in place at the TM Pick n Pay Bindura branch and suggested potential additional measures that can be implemented to prevent white collar crimes within organizations.

**Table 7: Response on how effective are white-collar crime control measures set at TM Pick n Pay Bindura branch**

	<b>Not effective</b>	<b>Less effective</b>	<b>Effective</b>	<b>Very effective</b>
Regular audits	60%	20%	15%	5%
Whistle-blowing	5%	10%	20%	65%
Segregation of duties	50%	10%	10%	30%
Ethical code of conduct	40%	30%	10%	20%

**Source: Primary data**

**N=20**

The information presented in the table 7 suggests that the existing anti-white collar crime measures set at the TM Pick n Pay Bindura branch are not yielding the desired results, as indicated by the majority of respondents. Specifically, 60% of respondents expressed dissatisfaction with regular audits, 5% with whistle-blowing, 50% with segregation of duties and 40% with the ethical code of conduct. On the other hand, 20% of respondents considered regular audits less effective, 10% considered whistle-blowing less effective, 10% considered segregation of duties less effective and 30% considered the ethical code of conduct less effective. Meanwhile, 15% of respondents believed regular audits were effective, 20% believed whistle-blowing was effective, 10% believed segregation of duties was effective and 10% believed the ethical code of conduct was effective. Additionally, 5% of respondents found regular audits very effective, 65% found whistle-blowing very effective, 30% found segregation of duties very effective, and 20% found the ethical code of conduct very effective. These findings align with the study conducted by Warhuus (2011) on the role of auditing in detecting white collar crime, which highlighted whistle-blowing activities as the most effective method for uncovering white-collar crimes. Similarly, the results are also consistent with the study conducted by Naicker (2006) on South African companies, where external auditing was identified as the least effective approach in detecting white collar crimes.

These findings indicate that significant efforts are required from the management to address the issues that are undermining the effectiveness of the current measures implemented at the supermarket to combat white collar crime. I believe that the existing strategies aimed at preventing white-collar crime are not effective due to ineffective

internal controls. The segregation of duties and control in place may not be designed adequately, allowing for loopholes that can be exploited for fraudulent activities. These measures are also ineffective because of poor communication and reporting channels. If employees do not have reliable and confidential channels to report suspected fraud or misconduct, it can hinder the effectiveness of the measures.

#### **4.6 Recommended approaches to tackle white-collar crime**

##### **4.6.1 Whistle blowing**

The majority of the survey respondents suggested that the introduction of whistleblowing can be an effective way to combat white collar crime. Whistleblowing refers to the legal act of disclosing information that a person reasonably believes demonstrates wrongdoing to an authorized recipient (Office of the Director of National Intelligence, 2024). This is also in line with results found by Warhuus (2011), in which whistleblowing was the concrete category credited with the highest detection percentage of white collar crimes. However, as one of the respondents mentioned, it is crucial for whistleblowers to carefully consider who should be informed about their disclosure. Many respondents emphasized the importance of reporting wrongdoing to trustworthy individuals such as ethics executives or external auditors. Additionally, some respondents highlighted the need to protect whistleblowers, as there is a tendency for CEOs to retaliate against them if the disclosure lacks solid evidence (Acquaah-Gaise, 2000: 19).

##### **4.6.2 Regular audits**

About half of the participants indicated that internal and external audits have the potential to address white collar crime by revealing fraudulent activities. The respondents recommended that the internal audit unit should focus on evaluating and improving internal controls and operational effectiveness within the company, the external audit function should provide an independent assessment of the financial statements of the company and enhance confidence in the accuracy and reliability of the financial information presented to external stakeholders. This aligns with the findings of a research conducted by Mugari et al. (2023), which demonstrated that frequent audits are instrumental in identifying potential instances of white collar crime.



Likewise, a study by Kathigesen (2006) also supported this viewpoint, suggesting that external auditing is effective in uncovering a significant number of white collar crimes.

#### **4.6.3 Strong internal controls**

Some of the respondents highlighted that establishing a robust internal control system can serve as a means of thwarting white-collar crimes. Frequently, a strong internal control system acts as the primary line of defense for organisations in preventing and detecting white-collar crimes. While the absence of internal controls does not always guarantee the occurrence of such crimes, it does create a potential vulnerability. Insufficient internal controls are evident in various ways, including inadequate management of inventory, insufficient documentation and support for cash transactions, failure to segregate duties, ineffective or outdated accounting software, and the lack of independent verification (Doyle et al., 2014). This aligns with the findings of a research conducted by Samuel Wei-Siew Liew et al. (2011), in which they investigated the causes of white-collar crime in Malaysia and recommended that companies should prioritize the establishment of robust governance structures and internal controls.

#### **4.6.4 Severe penalties and prosecution**

A few respondents suggested that the imposition of severe penalties and prosecution can be used to curb white collar crime. A study published in the Journal of Financial Crime found that imprisonment, both in the form of actual imprisonment and the threat of imprisonment, can reduce the number of financial crimes committed by corporations and their employees. The study suggests that this is because the imprisonment threat can increase the punishment's perceived severity, making potential criminals more cautious (Chen and Crutchley, 2017). Furthermore, the threat of prosecution and severe penalties can also encourage individuals to report suspicious activity. Association of Certified Fraud Examiners study found that tips from employees and other insiders were the most common way fraud was detected. If individuals know that there is a real possibility of prosecution for white-collar crimes, they may be more likely to speak up when they witness illegal activity (Association of Certified Fraud Examiners, 2018).

#### **4.7 Chapter Summary**

This chapter focused on the examination, representation, and interpretation of data. The data gathered from the descriptive survey underwent analysis using descriptive

statistics, as well as utilizing the SPSS package. The results were communicated through figures, tables, and frequency distributions. Additionally, a narrative discussion was conducted to provide an explanation of the findings of the study. Following this, Chapter V offers a concise overview of the research findings, along with the corresponding conclusions and recommendations. Finally, the study identifies a specific area for future research.

## **CHAPTER V**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter provides a recap of the study findings. It covers the research findings, conclusions, recommendations, and proposals for future studies.

#### **5.1 Summary of research findings**

The primary goal of this research was to investigate the impact of white collar crime on business performance, and the researcher focused the study on the TM Pick n Pay Bindura branch. The researcher gathered theoretical and empirical data from books and internet resources to provide a solid analytical foundation. The researcher also used a descriptive survey research strategy, which allowed him to collect qualitative and quantitative data using research questionnaires and personal interviews.

The following objectives served as a guide for the investigation:

1. To identify the type of white-collar crimes that affect business performance at TM Pick n Pay Bindura branch
2. To outline the effects of white-collar crime that affect business performance at TM Pick n Pay Bindura branch
3. To determine the effectiveness of strategies that have been put in place to fight white-collar crime at TM Pick n Pay Bindura branch
4. To identify ways of combating white-collar crime affecting business performance at TM Pick n Pay Bindura branch

A total of 20 people were polled (encompassing upper, middle, and lower management). A five-point Likert scale was used to collect feedback on the many negative effects of white collar crime, which include financial loss, reputational damage, job loss, unfair competition, trust erosion, and increased regulatory scrutiny. When the opinions of TM Pick n Pay Bindura branch employees on the impact of white collar crime on business

performance were analysed, it became obvious that they were all in agreement on the negative effects of white collar crime on businesses.

The research findings revealed that various forms of white collar crime, such as fraud, corruption, embezzlement, bribery, cybercrime, insider trading, and money laundering, were identified at TM Pick n Pay Bindura branch. The majority of the survey respondents indicated that fraud was the most prevalent white collar crime at the branch, followed by corruption, bribery, embezzlement, cybercrime, insider trading, and money laundering.

Furthermore, a significant number of employees believed that white collar crime has a negative impact on business performance. They acknowledged that these crimes result in financial losses for the organization. When funds are misinterpreted or misappropriated, it directly affects the revenue and profitability of the business. Additionally, employees expressed concerns that white collar crime can damage the reputation of the organisation, erode trust and confidence, and lead to job loss, unfair competition, and increased regulatory scrutiny.

Regarding the effectiveness of the current measures to combat white collar crime at TM Pick n Pay Bindura, the majority of respondents expressed dissatisfaction. They felt that the existing measures, such as regular audits, segregation of duties, and an ethical code of conduct, were not effective in addressing white collar crime. Only a small percentage of employees believed that measures such as whistle blowing were effective or very effective in fighting white collar crimes. This suggests that more effort is required from management to address the issues causing the ineffectiveness of the anti-white collar crime measures implemented in the organisation.

In response to the open question about measures to curb white collar crime, most employees recommended whistle blowing as an effective preventive measure. They also emphasised the importance of both internal and external audits in combating white collar crimes at TM Pick n Pay Bindura. Additionally, employees expressed the belief that implementing strong internal controls would help deter white collar crime. Lastly, they suggested that the implementation of severe penalties and prosecution play a crucial role in curbing white collar crimes at the supermarket.

### **5.3 Conclusion**

Based on the findings of the study, the researcher concludes that the research project can be considered a success, given that the research objectives were achieved. It is evident from the research that white collar crime has negative effects on the performance of TM Pick n Pay Bindura branch. These criminal activities damage the organisation's reputation and expose negative events, leading to a loss of confidence and integrity. The researcher highlights that white collar crimes raise concerns among various stakeholders, potentially impacting their interests and willingness to conduct business with the organisation. These adverse consequences not only harm the reputation of the organization but also result in financial instability, job losses, and a decline in competitive advantage within the market.

### **5.4 Recommendations**

This study aimed to investigate the prevalence of white collar crimes at the TM Pick n Pay Bindura branch, understand their impact on the organization's performance, and explore potential ways to mitigate these crimes. Ultimately, recommendations for preventing such crimes in the future are:

- Management should provide employees with comprehensive training on white collar crime awareness and prevention
- Regular fraud risk assessments to identify vulnerabilities and implement mitigating controls should be used to prevent fraudulent activities within the organisation.
- Emphasizing the importance of ethical behaviour and the consequences of engaging in illegal activities to staff members
- Implementing a strong internal control system, including clear segregation of duties, authorisation procedures and regular audits. This aims to discourage employees from engaging in illegal activities due to increased risk of detection and punishment.
- Management should utilise data analytics tools to monitor transactions and identify potential fraudulent activity.
- Establish a whistleblower hotline for employees to report suspicious activities anonymously.

- Establish relationships with law enforcement agencies to report suspected white-collar crimes.

### **5.5 Suggestions for further research**

Although the study focused on the impact of white-collar crime on business performance, further researches can be done on:

- Punishment and sentencing the of white collar criminals
- The role of whistleblowing in curbing white collar crimes in organisations
- Analysing white collar crimes and their impacts on society
- Investigating how technological advancements impact white collar crime methods and detection techniques.
- The psychological and sociological factors that contribute to white collar crime
- The role of artificial intelligence in white collar crime prevention

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08/09/23

**APPENDIX I:**  
**LETTER OF INFORMED CONSENT**

Dear Respondent.

My name is Simbarashe M Matigimu, Registration Number B202424B. I am a Bindura University of Science Education student pursuing a Financial Intelligence degree. I am doing a research study entitled *“The impact of white collar crime on business performance: a case study of TM Pick n Pay Bindura”*. Prior approval to conduct this study with the school as a case in point has been attained from the administration.

The researcher consequently requests that you voluntarily participate in this study and be as honest as possible in answering the questions. If you wish not to participate, you should not respond to the questionnaire. The researcher wishes to assure you that your identity will not be revealed to any person(s) and your responses will be regarded as confidential. The information you provide will not be used outside its intended purpose.

In order to do justice to the said investigation, please complete the questionnaire to the best of your knowledge and ability. Please do not write your name on any part of the questionnaire. The questionnaire takes about ten minutes to complete.

Instructions

For your answers, you are kindly asked to tick in the box resembling your response or simply fill in the spaces provided.

Disclaimer: I hereby consent to participate in this research, and I confirm that I have read the above information and agree with it.

Place: .....

Date: .....

Sign: .....



## APPENDIX II:

### QUESTIONNAIRE

#### Section A: Demographic profile

1. Gender: Male [ ] Female [ ]

2. Age :

20 years or less [ ]

21-30 years old [ ]

31-40 years old [ ]

41- 50 years old [ ]

Above 50 years old [ ]

3. Please indicate your highest level of education:

O' Level [ ]

A' Level [ ]

Certificate [ ]

Diploma [ ]

Degree [ ]

4. Work experience:

Below 5 years [ ] 6-10 years [ ] 11-15 years [ ] 16-20 years [ ]

Above 20 years [ ]

#### SECTION B: Types of white collar crime

For question 5, use the following key: (1-does not occur, 2-not common, 3-uncertain, 4-common, 5-very common)

5. The following types of white collar crime are common at your organisation:

	<b>S</b>	<b>C</b>	<b>O</b>	<b>R</b>	<b>E</b>
	1	2	3	4	5

Fraud					
Corruption					
Embezzlement					
Bribery					
Cybercrime					
Insider trading					
Money laundering					

### SECTION C: Impacts of white collar crime on business performance

For question 6, use the following key: (1-strongly disagree, 2-disagree, 3-uncertain, 4-agree, 5- strongly agree)

6. The following impacts of white-collar crime are common at your organisation:

	<b>S</b>	<b>C</b>	<b>O</b>	<b>R</b>	<b>E</b>
	1	2	3	4	5
Financial loss					
Reputational damage					
Job loss					
Unfair competition					
Erosion of trust					
Increased regulatory scrutiny					

### SECTION D: Effectiveness of white collar crime measures

For question 7, use the following key: (1-not effective, 2-less effective, 3-effective, 4-very effective)

7. How effective are white-collar crime control measures set at TM Pick n Pay Bindura?

	<b>S</b>	<b>C</b>	<b>O</b>	<b>R</b>	<b>E</b>
	1	2	3	4	5

Regular audits					
Whistle blowing					
Segregation of duties					
Ethical code of conduct					

**SECTION E: Strategies that can be adopted to tackle white collar crime at your organisation**

8. Suggest measures that can used to combat white-collar crime at your organisation?

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**APPENDIX III:**  
**INTERVIEW GUIDE**

1. Which types of white collar crime occur at TM Pick n Pay Bindura branch?
2. Which effects of white collar crime are common at TM Pick n Pay Bindura branch?
3. How effective are the measures implemented in fighting white collar crime at TM Pick n Pay Bindura branch?
4. What measures can you suggest to be implemented at TM Pick n Pay Bindura branch to curb white collar crimes?

**Thank you for your cooperation**

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