INSECURITY OF JOBS AND FRAUD CASES FOR OUTSOURCED WORKERS IN THE NIGERIAN BANKING SECTOR

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Abstract

The Nigerian banking sector has experienced a phenomenal increase in cases of frauds and forgeries since after the consolidation of banks in 2005. Bank examination Reports of the Nigeria Deposit Insurance Corporation shows that many of these cases are traceable to temporary employees who are outsourced. The focus of this study is to examine the extent to which job insecurity of the outsourced workers affects the rate of fraud and forgery practices in banks in Nigeria. Eight banks were randomly selected for the study from the 21 Money Deposit Banks in Nigeria. Using Raosoft calculator on sample size, the assumed population size 20,000 which gave rise to a sample size of 377. Out of the 377 copies of the questionnaire sent out, 324 respondents returned their fully completed. The study shows that job insecurity of outsourced staff significantly affects the increasing rate of forgery in the banking sector in Nigeria was accepted. Other finding show that fraud increases because of (1) payment of exploitative salaries, (2) exposure of outsourced staff to sensitive core banking jobs, (3) the need for the outsourced staff to save for 'tomorrow', (4) the perception by the outsourced staff that the system is wicked to them, and (5) the fact that the outsourced staff are not permanent employees of the banks make it difficult for the banks to discipline them.

Key Words: Forgery, Job Insecurity, Motivation, Outsourcing, Banking Sector.

Introduction

Before the outsourcing of human resource became the vogue in the banking sector in Nigeria, the banks were responsible for the welfare of all their workers at all levels owing to the contractual relationship between the employers and employees; while the employees were expected to perform their assigned duties within the limits of prescribed operational guidelines and codes of conduct. The employees were individually held liable for their action sat any time their performances or attitudes fell short of standards as contained in the operational manuals of the individual banks as well as the professional guidelines on ethics and professionalism as directed by the regulatory bodies of the industry; namely, the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC); as well as the professional body, the Bankers' Committee of the Chartered Institute of Bankers of Nigeria (CIBN).

The case is different now that some of these workers, who were formerly staff of the banks, have been transferred to outsourcing agencies, which are subsidiaries of the banks, in the aftermath of downsizing, rightsizing, and re-engineering to reduce operational costs. These outsourced workers may or may not continue to be in the same branch of the bank; but more important is that their legal statuses have changed; they are no longer regarded as direct employees who are responsible to the bank and *vice versa*, a position which raises serious legal, security, and compliance implications that ought to be addressed in the contract between the client banks and the suppliers of outsourced staff. In addition to this category of "non-banks staff" working in the banks are those employed directly by the employment agencies (external agencies) and seconded to join the army of "non-bank staff" in the Nigeria banks as outsourced workers (Armstrong, 2005; Nigeria Deposit Insurance Corporation, 2015). Available statistics on global outsourcing show that in 2014 alone, the global market size of outsourced services was US$104.6 billion, the highest since the strategy became the vogue; and the commonest forms of outsourcing are in the areas of Information Technology Outsourcing (ITO) and Business Process Outsourcing (BPO). The revenue of the global ITO industry in 2014 was US$76.1 billion; while the revenue from the global BPO industry was US$28.5 billon. The BPO is made up of call centre outsourcing, Human Resources Outsourcing (HRO), finance and accounting outsourcing, and claims processing outsourcing (Sourcingmag.com, 2015). The 2001 Outsourcing World Summit articulated the top reasons for outsourcing to be based on the criteria of focus on core, to reduce cost, improved quality, to increase speed to market, to foster innovation, and to conserve capital, which were accorded 36%, 36%, 13%, 10%, 4%, and 1% respectively (Schaffhauser, 2005).

In spite of this seeming success story in global outsourcing as shown in figures stated, in recent years, cases of fraud in the banking sector in Nigeria have been on the increase. Prior to the Nigerian banks re-capitalisation in 2015, many banks had their shareholders' values eroded, while most investors had lost confidence in the banking system. This has been described by the NDIC (2015), the government insurer of customers' deposits in the banks, as one of the negative fall-outs of outsourcing in what Merton (1957) refers to as "Latent dysfunction" (the unintended consequence of the adoption of the outsourcing strategy). As NDIC (2015) observes, the implementation of the outsourcing strategy has been problematic. In its Annual Bank Examination Reports, the Corporation further states that more outsourced staff have been involved in frauds and forgeries in the banks; and this situation has made it to severely reprimand the Deposit Money Banks (DMBs) in the country over the unwholesome practice of engaging contract or outsourced staff in the industry.

Besides, the Corporation reports that in as much as the banking system regulators appreciate the necessity for banks to cut costs, it is incumbent on the banks to fashion out capacity building and other strategies to motivate all employees to contribute positively to the growth and well-being of the banks; rather than create room for some employees to engage in criminal acts that impact adversely on the entire banking system. Specifically, available statistics from the Nigeria Deposit Insurance Corporation (NDIC, 2015) on cases of frauds and forgeries in the Deposit Money Banks in Nigeria, from 2010-2014, are as contained in Table 1 below.

Table 1: Summary ofCases of Frauds and Forgeries in Nigeria Banks (2010-2014)

Item	2010	2011	2012	2013	2014
Cases	1,532	2,352	3,380	3,786	10,618
Amount Involved	N21.29billion	N28.40billion	N17.97billion	N21.80billion	N25.61billion
Total Staff Involved	357	498	531	682	465
Temporary Staff Involved	33 or 9.24%	78 or 15.66%	226 or 42.56%	144 or 21.11%	126 or 27.10%

Source: NDIC Annual Reports (2010-2014)

The table shows that in 2010, 2011, 2012, 2013 and 2014, the number of fraud cases reported were 1,532; 2352; 3,786 and 10,618 and the amounts involved were N21.29 billion; N28.40 billion; N17.97 billion; N21.80 billion and N25.61 billion respectively. The figures also show that during the same period under reference, 357 staff, 498 staff, 531 staff, 682 staff, and 465 staff were involved in frauds and forgeries in the banking industry in Nigeria out of which 33 (9.24%); 78 (15.66%); 226 (42.56%); 144 (21.11%); and 126 (27.10%) respectively were temporary staff.

With particular reference to 2014, NDIC (2015) reveals that over 64% of the frauds and forgery cases are traceable to contract or temporary or outsourced staff which they perpetrate in the area of web-based (online banking) and ATM card related crimes, fraudulent transfers and withdrawal of deposit frauds, and suppression of customer deposits, etc. What this means is that contrary to the spirit of outsourcing that only non-core jobs are outsourced to third parties while core jobs are insourced, outsourced staff in the Nigeria banking sector are exposed to core banking jobs, hence, they are able to commit frauds related to online banking, funds transfer, and suppression of customer cheques and deposits.

In a paper on consolidating the Nigerian banking industry to meet the challenges of the 21st Century, Soludo (2004) notes that that for the industry to experience sustainable growth, it must address with seriousness "the spate of frauds, ethical misconduct, falsification of returns of the banks to the Central Bank, unprofessional use of female staff in the name of marketing etc."

Statement of the Problem

The picture painted in the NDIC reports portrays the post-consolidation Nigerian banking sector as being highly vulnerable to fraudulent practices and a large proportion of the cases are traceable to the outsourced staff in the industry. The Economic and Financial Crimes Commission (EFCC) is inundated with several cases of bank frauds running into billions of Naira. While some of the cases have been lost in courts; some have become toxic and irrecoverable; while some are ongoing in various courts with the attendant costs in terms of delays and financial costs involved in litigations in Nigeria.

Besides, to attest to the prevalence of job insecurity in the sector, and the fact that outsourced staff have taken over core banking roles, in contravention of the spirit and letter of outsourcing, the Nation (2015), in its caption, "The Rising Staff Turnover in Banks" reports that some of the financial institutions have already outsourced a good number of job functions, a development that has seen some of them transfer significant number of employees to third party companies. For instance, the report states that Skye Bank Plc in 2015 announced the transfer of "its tellers, drivers, security personnel and other support staff members to three outsourcing firms"; namely, Optimum Continental Services, Strategic Outsourcing Limited, and Integrated Corporate Services Limited. This decision led to the disengagement of the affected employees from the bank and their subsequent transfer to these third party firms.

For one thing, banking is based on trust between the banker and the customer; and the continued patronage of banks is a function of the confidence that the depositors, especially the small depositors, have on the banking system. For another, where such confidence has been eroded, there is likely to be a run on the banking system and the industry, in turn, is likely to experience systemic failure as was witnessed in the 1990s.

Although studies have been carried out to investigate this rather high incidence of fraud in the Nigerian banking sector from different perspectives, to the best of our knowledge, the lacuna is that there has been no study into how job insecurity on the part of the outsourced staff lures perpetrators of frauds in this category of employees in the industry to commit fraud. It is pertinent therefore that an empirical study is undertaken to ascertain how job insecurity of outsourced staff affects the increasing rate of fraud in the banking sector in Nigeria.

Objective

To determine the effect of insecurity of jobs of outsourced workers on the increasing rate of fraud in the banking sector in Nigeria.

Hypothesis

The job insecurity of outsourced workers significantly affects the increasing rate of fraud in the banking sector in Nigeria.

Concept of Fraud

Review of Relevant Literature

Merriam-Webster Dictionary defines fraud as an "intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right or an act of deceiving or misrepresenting". The Legal Dictionary defines it as "(1) wrong deception with the intent to gain personally or financially, (2) intentional deception in order to persuade another person to part with something of value, (3) a person who pretends to be something or someone he is not". Another definition by Business Dictionary has it as an "act or course of deception, an intentional concealment, omission, or perversion of truth, to: (1) gain unlawful or unfair advantage, (2) induce another to part with some valuable item or surrender a legal right, or (3) inflict injury in some manner".

From the above definitions, one is able to deduce that fraud is an intentional act; it involves deception or misrepresentation by someone to gain something personally or financially; it is an inducement or persuasion to make someone lose something valuable; it involves concealment of truth; it involves taking unfair advantage of another person; it involves making another party to surrender a legal right and, more importantly, it involves inflicting injury in some manner on another person or party. In the case of bank frauds and forgeries, the injury is not inflicted on the bank customers whose deposits have been insured to some extent by NDIC; it is not on the outsourcing agencies that are not affected by the losses arising from them. Rather, they are inflicted on the banks who are the users of the outsourced staff; some are negligent to the point that they allow outsourced staff; some are negligent to the point that they allow outsourced staff to perform the same sensitive jobs as the core bank staff only to be paid peanuts as salaries all for the sole purpose of reducing operational costs. The overall effect is on the shareholders' value.

Faced with the preponderance of fraud in many companies nowadays, Abdullahi and Mansor (2015) advocate a paradigm shift from the current posture of spending so much money on investigating fraud related cases to fraud prevention. For one thing, it is less expensive and much more effective if fraud is prevented than for more money to be spent on investigating such cases when they have occurred, especially when there is no assurance that the lost funds are recoverable. Arguing in the same vein, Thanasak (2013) is of the opinion that the initial focus of business firms in the prevention of fraud should be to examine the factors that lead to fraudulent behaviour as the identification of such factors will facilitate proactive reduction of fraud and management of associated risks.

Theories on Fraud

There are two dominant theories that have offered explanations on what could lead people to commit fraud: (1) Cressy (1950)'s Fraud Triangle Theory (FTT); and (2) WOLFE and Hermanson (2004)'s Fraud Diamond Theory (FDT). Cressy (1950) identifies three elements as being responsible for people engaging in fraud which are in a pyramid; namely, "pressure", "opportunity", and "rationalization".

Quite a number of scholars have done some works to illuminate these variables. For instance, Lister (2007) identifies three types of "perceived" pressure; namely, personal, employment stress, and external pressure as being the driving forces behind the pressure that pushes perpetrators of fraud in organizations. On his part, Murdock (2008) is of the view that the pressure could be better seen from financial, non-financial, and political and social perspectives.

In the case of "perceived" opportunity, an opportunity is said to arise due to ineffective corporate governance in the firm. This situation enables perpetrators to take advantage of weaknesses in the internal controls in the organization. Like pressure, opportunity may not be real but it may exist in the perception and belief of the perpetrator that he could carry out the fraud and will not be caught. Consequently, Abdullahi and Mansor (2015) identify two elements that create opportunity in the organization: (1) the inherent susceptibility of the organization to manipulation; and (2) the organizational conditions that may warrant fraud to occur. In other words, inadequate job division, weak internal control, irregular audit, etc, provide the favourable conditions for employees to commit fraud.

"Rationalization". On the other hand, refers to the justification and excuses by which the perpetrator is able to convince himself that immoral conduct is different from a criminal act; as there are some acts which could be immoral yet not criminal (Abdullahi and Mansor, 2015).

In its theoretical proposition, the Fraud Diamond theory, while agreeing with the Fraud Triangle Theory on the three components of incentive (pressure), opportunity, and rationalization, want a step further by advocating a fourth component of "capability". Wolfe and Hermanson (2004) are of the view that while opportunity opens the door for committing fraud, incentive (pressure) and rationalization provide the lead for the person, while capability makes the person to realize that there is an open door (opportunity) that should be exploited.

However, Sorinke (2016), in a recent work, argues that there is still a missing link in the Fraud Triangle and Fraud Diamond theories. He is of the opinion that with recent happenings, the factors identified by Cressy (1950) and Wolfe and Hermanson (2004) are no longer adequate in explaining the behaviour behind fraud. Hence, he advocates a Fraud Pentagon model wherein an additional dimension of "personal ethics" is a key factor in motivating perpetrators of fraud. Our observation is that what looms large in the earlier two dominant theories; namely, the Fraud Triangle Theory and the Fraud Diamond Theory; and even Sorinke (2016)'s Fraud Pentagon Model, is that more attention is focused on the perpetrator of the fraud and less attention on the organization that provides the opportunity for the fraud to be committed. The only organizational 'error' which has been alluded to is that there could be weak corporate governance procedures which are subject to manipulation by the perpetrators of fraud who may take advantage of such weak internal controls.

NDIC (2005) notes, the incidents of fraud on the part of outsourced staff in the Nigeria banking industry are on the increase because of weak internal are on the increase because of weak internal controls; and this agrees with the position of some scholars of victim ology whose main focus is on victim-instigated crimes. Merriam-Webster Dictionary (2016) defines victimology as the study of the ways in which the behaviour of crime victims may have led to or contributed to their being victimized. A crime victimis a person (in this case the bank) who has been physically, financially or emotionally injured by another person who committed the crime by taking or damaging his property (Dussich, 2010).

Victimologists are therefore out to establish the role of the victim in instigating a crime or making a crime to be successful, as some studies have revealed that both the criminal and the one who created the enabling environment for the crime to take place are, more often than not blame worthy. While we find no fault with NDIC's position on outsourced staff and their roles in fraudulent cases in the banks, our point of departure is the impression being created by the banks, the customers, and the regulatory authorities, that only the outsourced staff are blame worthy; and that the client banks that utilize their knowledge and skills and the outsourcing agency have no blame (Karmen, 2006).

The client bank needs to be apportioned a part of the blame by reason that it goes outside the sphere of human resourcing todepoly such staff on whom they have no disciplinary control to handle sensitive core banking functions of funds transfer, cashiering, customer care, bulk counting, web-based and ATM related tasks, etc, instead of restricting their services to face of obvious inequalities in salaries between the outsourced staff and the core bank staff. On the part of managers in the outsourcing agencies, they make their agencies to prey on the salaries paid through them to the outsourced staff as they withhold their own part of the salaries before paying the meagre balance to the outsourced staff. To properly position how the personal traits (pressure or incentive, opportunity, rationalization, capability, and personal ethics) in the outsourced staff act as driving forces to commit the fraud therefore, the roles play by the two bodies involved in the giving out and accepting the outsourced staff ought to be examined as well (Karmen, 2006).

Motivation Theories

Motivation theories are in two categories (1) Content theories, and (2) Process theories. while the content theories are static and are focused on how people are motivated to carry out certain activities (for example Maslow's hierarchy of needs and Herzberg's two-factor theory); the Process theories are dynamic and their focus is on how people make choices under certain given processes or situations in their efforts to obtain desired rewards (for example Vroom's expectancy theory and Lawler and Parter's expectancy theory) (Huitt, 2011).

The issues of safety and security needs of employees featured prominently in the work of Maslow (1943, 1954) who developed a hierarchy of needs where he points out that people in organizations have different needs; and that they are motivated through incentives to achieve stated objectives. These needs were originally ordered in five levels in two groups, namely; *physiological* needs; *safety* and *security* needs; *belongingness, social and love* needs, and *esteem* needs (as lower-order deficit needs); and *self-actualization* needs (as higher-order growth needs). Maslow's hierarchy shows that people needed change overtime and new higher needs arose as lower ones were met (Huitt, 2011).

However, Maslow (1971) increased the levels to seven by adding the levels of *"Cognitive"* needs and *"Aesthetic"* needs and in the 1990s, he further increased the needs levels to eight, with the first four still remaining as *deficit* needs and the next higher four known as *growth* needs. In the latest version, the deficit needs are: *biological and physiological* needs (need for air, food, drink, shelter, warmth, sex, sleep, etc); safety needs (need for protection from elements, security, order, law, limits, stability, etc); affiliation needs for belongingness and love, need for work group, family, affection, relationship, etc); and esteem needs (need for self-esteem, achievement, mastery, independence, status, dominance, prestige, managerial responsibility, etc). The growth needs are: Cognitive needs (the need to know, understand and to systematize knowledge, meaning, learning experimenting, etc); aesthetic needs (the need for appreciation and search for beauty, balance form, etc); aesthetic needs (the need for appreciation and search for beauty, balance form, etc); self-actualization needs (the need for realizing and developing full personal potential, self-fulfillment, seeking personal growth and peak experience); and transcendence needs (spiritual needs, for cosmic identification, etc) (Huitt, 2011).

The issue arising from the hierarchy is how a person's employment is able to afford him or her opportunity to attain homeostasis. As we have noted, in the original five levels which were revised to seven and later to eight, the first four have been the deficit needs. These deficit needs in Maslow's hierarchy show that a person feels their absence and yearns for them when they are not present, but when each of the levels is satisfied, the person comes to the level of homeostasis where the yearning for that particular need stops. It stands to reason therefore that a person does not attain homeostasis if he is unable to meet the deficit needs. The highest level, which is the transcendence level, involves only a few people whose deficit needs have been met, and are therefore left to look beyond deficit needs. At that level, it does not require seeking for homeostasis as it is always present. Therefore, a logical deduction is that a person (whether he or she is a core staff or outsourced staff) who is unable to attain a steady state of homeostasis, arising from his inability to meet basic necessities of life while while in employment, would be dissatisfied and would have a feeling of insecurity in the job (Clark, 2012).

Herzberg (1959)'s two-factor theory, especially the hygiene factors also throws some light on how a worker could experience job dissatisfaction. His work aimed at developing work situations where the employees were highly motivated and satisfied rather than where they were not motivated and not satisfied. In a nutshell, the findings of his studies showed factors which were split into two categories: hygiene or maintenance factors and motivation factors. The motivation factors are related to the content of the task being performed which Herzberg referred to as motivators or satisfiers; each of which is associated with strong effort and good performance as seen in the works of Vroom (1964) and Lawler and Porter (1968) on expectancy. These include achievement, recognition, challenging work, advancement, and growth in the job. When they are present in a work environment, they yield feeling of job satisfaction; while their absence yields feelings of no job satisfaction (Weihrich and Koontz,2005; Huczynski and Buchanan, 2007).

However, the absence of these motivating factors which lead to no job satisfaction does not automatically result in job dissatisfaction as the two concepts, "no job satisfaction" and "job dissatisfaction", do not have that relationship. Rather, when the motivating factors are absent, according to Herzberg, there is no job satisfaction; as the opposite of "job satisfaction" is "no job satisfaction". The reason for the job satisfaction-no job satisfaction" relationship instead of "job satisfaction-job dissatisfaction" lies in the fact that the factors that lead to job satisfaction are different from those that result in job dissatisfaction (Kreitner and Kinicki, 2004; Weihrich and Koontz, 2005).

According to Herzberg, for there to be job dissatisfaction, there must be a situation where there are issues concerning dissatisfies such as company policy and administration, technical supervision, salary, interpersonal relationships, status, job security, working conditions, and personal life. These are not motivators; and in the thinking of Herzberg, if they exist in high quantity and quality in the work environment, there will be no dissatisfaction. In other words, there will be no job dissatisfaction when these factors are present. However, although their existence does not lead to motivation in the sense of yielding satisfaction; where they are not present; it could result in job dissatisfaction. This is, where employees have grievance about them, it results in job dissatisfaction. Unlike the motivating factors, these are factors associated with the work context or the work environment which Herzberg also referred to as hygiene or maintenance factors. The opposite of "job dissatisfaction" is " no job dissatisfaction", which is a situation where an employee has no grievance about the hygiene or maintenance or job-context or contextual factors (Kreitner and Kinicki, 2004; Weihrich and Koontz, 2005).

The situation in the Nigerian banks with regard to how outsourcing affects outsourced workers is a mix of both "no job satisfaction" and "job dissatisfaction". On the one hand, there are issues of recognition, advancement, stimulating jobs, achievement, etc, which are motivating factors, the absence of which are motivating factors, the absence of which leads to no job satisfaction on the part of the outsourced workers. On the other hands there are also issues arising from outsourced workers' grievances about the hygiene factors (which are not motivators) that lead to job dissatisfaction prominent amongst which is job security. In the case of outsourced workers in the Nigerian banking industry, they do not have job security which results in job dissatisfaction (Weihrich and Koontz, 2005; Huczynski and Buchanan, 2007).

While Maslow and Herzberg examine the relationship between internal needs and the resulting effort expended to fulfill them, Vroom (1965) in his expectancy theory on motivation seeks to provide explanation as to why an individual chooses to behave in a particular way as against alternative ways. The theory advocates that an employee is motivated when he believes that he can accomplish a particular task and the reward for performing the task is worth the effort expended. It is essentially a decision model; and because it is believed that a person's behaviour is controlled by some "forces", the idea is to evaluate the motivational force behind a person's behaviour (Weihrich and Koontz, 2005). From this theory, it is evident that persons (whether they are core staff or outsourced staff) working in banks and are performing 'core' and sensitive bank tasks (web-based (online banking) and ATM card related, electronic funds transfers, customer deposits, and deposits, and deposit withdrawals), could be "motivated" or driven to resort to socially unacceptable behaviours in the banks such as embarking on fraudulent practices. An assumption could be that the driving force behind the outsourced staff behaviour could be traced to their having to cushion the effect of poor salaries and to save for life after the job in the bank which does not guarantee job security.

Empirical Review

Olaoye and Dada (2014) did a study on ten banks in Nigeria with the highest fraud and forgery cases, and the categories of staff involved, in the period 2005-2012, confirms the high incidence of fraud and forgery cases linked to contract or temporary staff. They observe that in 2005, there were 3 temporary staff or 0.79% of the total employees involved in frauds and forgeries in the banks. In 2006, 2007, 2008, 2009, 2010, 2011, and 2012, there were 50 temporary staff or 15.10%, 45 temporary staff or 16.48%, 70 temporary staff or 22.37%, 150 temporary staff or 22.87%, 33 temporary staff or 9.24%, 78 temporary staff or 15.66%, and 226 temporary staff or 42.56% respectively. Based on these figures, they recommend that banks should provide adequate remuneration and reward for excellence and good conduct to deserving employees. Besides, results from laboratory experimental research studies carried out on overpaid and underpaid employees on hourly or piecemeal basis also show that fraud cases are not unlikely are underpaid. There are experimental laboratory studies which extended the stream of research on overpaid and underpaid employees reported in the works of Veecho (1982) and Griffeth, Veecho, and Logan (1989), and examined the effect of underpayment on ethical behaviour. The results show that underpaid subjects in the study stole money to compensate for the underpayment (Greenberg, 1993).

Methodology

The sample size was calculated using Raosoft sample size calculator. With a margin of error of 5%, confidence level of 95%, response distribution of 50%, and a population size assumed to be 20,000, the sample size was 377.

Multi-stage sampling was adopted in selecting this sample. First, using judgemental sampling technique, eight banks were selected technique, eight banks were selected from the 21 Deposit banks were selected from the 21 Deposit Money Banks in Nigeria. The banks are: First Bank of Nigeria Limited, Union Bank of Nigeria Plc, Access Bank Plc, United Bank for Africa Plc, Guaranty Trust Bank Plc, First City Monument Bank Plc. These eight banks constitute a good representation of the banking industry in Nigeria because each of the banks has branches in the six geo-political zones in the country; namely, North West, North East, North Central, South West, South East and South South. Second, the eight banks were divided into Lagos branches and up-country branches (branches outside Lagos). This is because almost all the 21 Deposit Money Banks in Nigeria have their Head Offices and high network of branches in Lagos which is the commercial nerve centre of the country. Third, the Lagos branches of the eight banks were stratified into Lagos Island, Lagos Mainland, Ikorodu, Epe, and Badagry branches.

Fourth, using quota sampling, out of the 377 sample, the Lagos branches of the banks were given equal allocation of quotas of 47, while the remaining one was allocated to First bank of Nigeria being the largest in size. In effect, First Bank of Nigeria Limited had 48 while Union Bank of Nigeria Plc, Access Bank Plc, United bank for Africa Plc, Guaranty Trust Bank Plc, First City Monument Bank Plc, Unity Bank Plc and Zenith Bank Plc had 47, 47, 47, 47, 47, 47 and respectively. Fifth, the staff of the branches was stratified into core staff and outsourced staff. Sixth, the sample was draw from the branches using simple random sampling.

Data was collected from primary source through the use of questionnaire. The questionnaire was formulated using Likert scale; and 101 copies were pre-tested using test-retest reliability which gave $r_8 = 0.90$. Out of the 377 questionnaires sent by mail, 353 were returned fully completed, which represents 93.63% return rate.

Data Analysis

Out of 353 respondents, 197 or 55.81% strongly agree and 53 or 15.01% agree that the exploitative salaries paid to outsourced staff increases their appetite to steal, but 58 or 16.43% and 33 or 9.35% disagree and strongly disagree respectively. The results also reveal that 204 or 57.79% strongly agree and 49 or 13.88% agree that the exposure of outsourced staff to sensitive core banking jobs increases the zeal to steal but 52 or 14.73% and 40 or 11.33% disagree and strongly disagree respectively. Also, 191 or 54.11% strongly agree and 60 or 17.00% agree that the need for the outsourced staff to save for 'tomorrow' increases the urge to steal; while 56 or 15.86% disagree and 37 or 10.48% strongly disagree. On the issue of the perception by the outsourced staff that the system is wicked to them hence the increase in the rate of wicked to them hence the increase in the rate of fraud, 201 or 56.94% strongly agree and 57 or 16.15% agree; but 52 or 14.73% disagree and 32 or 9.06% strongly disagree. Furthermore, 205 or 58.07% also strongly agree and 44 or 12.47% agree that the fact that the outsourced staff are not employees of the banks makes it difficult for the banks to discipline them; while 53 or 15.01% disagree and 48 or 13.60% strongly disagree.

Hypothesis: The insecurity of jobs of outsourced staff significantly affects the increasing rate of fraud in the banking sector in Nigeria.

$\mathbf{H_o}$: $u_1<u_2$

$\mathbf{H_a}$: $u_1>u_2$

$\mathbf{Z_c} = 6.08$

$\mathbf{Z_{t0.05}} = 1.645$

Decision: Reject $\mathbf{H_o}$ since $\mathbf{Z_c} = 6.08 > \mathbf{Z_t} = 1.645$ at 0.05, and accept the alternative hypothesis that the job insecurity of outsourced staff significantly affects the increasing rate of fraud in the banking industry in Nigeria.

Discussion of findings

From the results of the study, the objective of this study which is to determine the effect of job insecurity on the part of outsourced staff on the increasing rate of fraud in the banking industry in Nigeria has been achieved. In particular, payment of exploitative salaries, exposure of outsourced staff to sensitive core banking jobs, the need for the outsourced staff to save for 'tomorrow', the perception by the outsourced staff that the system is wicked to them, and the fact that the outsourced staff are not employees of the banks makes it difficult for the banks to discipline them, are the specific findings of the study. All these point to the fact that job insecurity is the driving force behind the frauds committed by the outsourced staff in the Nigerian banking industry.

These findings find support, and are entirely covered, in Cressy (1950)'s Fraud Triangle Theory (FTT); Wolfe and Hermanson (2004)'s Fraud Diamond Theory (FDT) Sorinke (2016)'s Fraud Pyramid Model which have been articulated in the existing 'pressure-opportunity-rationalization-capability-personal ethics' paradigm. While the findings on payment of exploitative salaries, the need for the outsourced staff to save for 'tomorrow', the perception by the outsourced staff that the system is wicked to them, and the banks' inability to discipline the outsourced staff because they are not bank employees come under the "pressure" component of the existing theories on fraud, the finding on the exposure of outsourced staff to sensitive core banking jobs falls under the "opportunity" component.

Besides, the findings in the study are in line with the issues regarding how to be safe and secure which areat the deficiency level of safety needs in Maslow's hierarchy of needs. As Norwood (1999) posits, because of the low level of individuals at this level who are mainly assigned mechanical or physical tasks, the type of information sought by them is "helping information" (how they can be assisted to be safe and secure) and not how to seek "edifying information" (how to develop one's ego) which are sought by individuals at the cognitive, aesthetic, and self-actualization levels.

However, the case of the job insecurity of these outsourced staff becomes clearer when we consider that some of them are graduates of universities, polytechnic and monotechnics, who are assigned, core banking jobs that require cognitive skills (Adenuga, 2006; Okafor, 2007; Kalejaiye, 2014). These are workers who should be majorly preoccupied with seeking "edifying information" that would enable them to excel on the core banking jobs to which they are assigned. Rather, they are more interested in obtaining "helping information" or even the lowest-level "coping information" that enables them to cope with the unpleasant situations they have found themselves. This could explain why they must learn new ways of committing fraud in such in such a way that they will not be caught. (Norwood, 1999).

The absence of Herzberg (1968)'s hygiene factors which though not regarded as motivating factors, results in job dissatisfaction. In other words, these are issues regarding salary and job security which may not be relevant factors in motivating employees in the developed countries, but in Nigeria and most of the emerging economies, salary and job security are still major motivating factors. In addition, Vroom's expectancy theory lends significant support to these findings.

Furthermore, these findings are corroborated by laboratory experimental research studies carried out on overpaid and underpaid employees on hourly or piecemeal basis. Findings show that the underpaid employees increased the quantity of their performance but the quality was reduced, while overpaid employees increased the quality of performance but the quantity was reduced (Veecho, 1982; Griffeth et al, 1989).

It is pertinent to observe also that these findings have shown support for some monumental questions and issues that some practitioners of and researchers on outsourcing have been raising as to what benefits are derivable from adopting the strategy after all. For instance Lee, Huyah, Chi-wai and pi (2000) express the views that most client companies have not been able to establish and manage relationships with their service providers. As a result, many researches and practitioners have lost confidence that the strategy contributes to the performance of the client organizations. Besides, the focus of most of the existing studies have been from the point of view of the clients whose interests have been to maximize their internal resources through the service providers without also considering the situations of the service providers and the outsourced employees.

Conclusion and Recommendations

From the study, Nigerian banks embraced outsourcing on a large-scale mainly because of the attraction of cost reduction. They, however, fail to see the dysfunctional aspect of outsourcing in the sense that as it is currently practiced, it creates an opportunity for the outsourced staff to commit fraud. There is job insecurity as shown in the payment of exploitative salaries which compels the outsourced staff to save for 'tomorrow'. There is also the perception on the part of the outsourced staff that the system is wicked to them. The finding on the exposure of outsourced staff to sensitive core banking jobs falls under the "opportunity" component of the existing theories on fraud. Besides, the banks' inability to discipline the outsourced staff because they are not bank employees comes under the "pressure" component of the extant theories.

In the light of the foregoing observations, we recommend that the banks should:

(a) No longer have focus on the outsourcing strategy mainly from the point of view of reduction of operational costs alone. Nigerian banks should evolve appropriate human resource outsourcing strategies that would enable them to pursue side by side the twin issues of efficiency and effectiveness as ingredients of productivity; rather than focus only on cost reduction which majorly affects efficiency.

(b) Consider that it is not out of place to pay outsourced staff commensurate salaries with the core bank staff according to qualifications, expertise and experience even though they remain as outsourced staff. This will save them from the double trauma of humiliation and relegation associated with the tag of outsourced staff, on the one hand, and the payment of inequitable salaries, on the other. The fact that they are not regarded as bank staff no matter how long they work in the banks is already enough relegation.

(c) Realize that the outsourcing agencies, especially the external providers, also prey on the salaries of the outsourced staff. Nigerian banks should therefore be interested in the take home salaries of the outsourced staff as well as bank the hegemony of the outsourcing agencies by ensuring that their full salaries are paid to them directly.

(d) Negotiate appropriate once-for-all "placement fees" with the service providers in respect of staff seconded to them. This will enable them to develop a more intimate relationship with their outsourced staff in terms of payment of equitable salaries and guarantee of some level of job security.

(e) More importantly, ensure that the services of outsourced staff are restricted to non-core banking tasks so as not to create the "opportunity" for them to indulge in fraudulent practices. We have observed that apart from drivers, cleaners, and secretarial staff, most banks engage outsourced staff to do bulk counting, cashiering, and ATM related functions which are core banking jobs that are technically outside the coverage of outsourcing. Even the use of outsourced drivers for bullion activities (movement of cash from one location to another) is risky and should be discouraged. This is the way to prevent fraud on the part.

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