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Relationship between Forensic Accounting, Internal Audit Quality and Corporate Fraud Prevention: A Study of Listed Banks in Nigeria

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Abstract

This study examine the association between forensic accounting, internal audit quality, and corporate fraud prevention of the Nigerian listed deposit money banks. The population of this study consists of all the quoted DMBs on the Nigerian stock exchange as at 2015. The principal instruments used for the purpose of this study are questionnaire, which was designed to 5-point Likert scale. The technique of data analysis adopted in the study was the ordinary Least Square Regression. The result of this study revealed that forensic accounting positively influences corporate fraud prevention in Nigerian listed deposit money banks, and that internal audit quality is a significant factor that affects corporate fraud prevention of the Nigerian listed deposit money banks.

Keywords: *Forensic Accounting, Internal Audit Quality, Corporate Fraud Prevention.*

1. Introduction

The accounting scandals involving Enron, WorldCom, Global Crossing and other companies have put accountants and auditors in a sensitive case as it never before in history (Omar, Mohammed & Haron, 2013). The impact of these accounting scandals is enormous, causing lateral damages (Bhasin, 2013). The confidence in the accounting profession has severely been undermined. However, these scandals have created new business for an accountant and developed opportunities for the forensic and investigative accounting field (Omar et al., 2013). Following the globalization of businesses in the early 1900s and the American Stock Market Crash of 1929, auditors moved their focus from fraud detection and prevention to financial statement reporting. The change created a gap between accountants and the users of financial statements, who viewed auditors as the first person of defense against fraud (Islam, Rahman & Hassan, 2011).

Accounting scandals and frauds are perennial. The instances of scandals and frauds have affected our society ever since before the "Industrial Revolution." They occurred in all eras and all countries (Bhasin, 2013). Accounting has been perceived as a medium to provide information necessary for economic decision-making. However, a lot of accounting and business scandals occurred around the globe have attracted criticism on the role of accounting. The media have reported financial reporting scandals and bankruptcies in many companies. Such as Sunbeam, Kmart, Enron, Global Crossing (USA), BCCI, Maxwell, Polly Peck (UK) and HIH Insurance (Australia). Apart from scandals in developed countries, which have sophisticated capital markets and regulations, similar cases also have occurred in developing countries with emerging capital markets. As reported by Johnson, Boone, Breach, and Friedman (2000), Asian countries have experienced similar cases like developed countries. Such companies in developing countries are PT Bank Bali, and Sinar Mas Group in Indonesia. Bangkok Bank of Commerce in Thailand, United Engineers Bhd in Malaysia, Samsung Electronics and Hyundai in Korea (Chariri, 2007). Nigerian companies also experience the cases of fraud as occurred in developed and developing countries. Such companies are Union Dicon Salt, Lever Brothers (now known as Unilever). And more recently Cadbury as well as the sack of the management and board of Oceanic Bank, Intercontinental and Afribank in 2011 by Central Bank of Nigeria (CBN) due to frauds and financial abuses (Okunbor & Arowoshegbe,2012).

In these cases, corporations have failed to supply appropriate and sufficient financial reporting disclosures of transactions that would affect their financial position. The accounting scandals have induced a crisis of confidence in financial reporting and disclosure of corporate governance mechanisms on companies' performance (Schwarzbach, 2005; & Chariri, 2007). Consequently, the incorporation of modern fraud control mechanisms techniques in the investigation of financial fraud in Nigerian commercial banks is seen as timely in order to prepare the accounting profession to deal effectively with the problem of innovative fraud schemes in Nigeria. Centre for Forensic Studies (2010) reported that fraud control mechanisms could be used to reverse the leakages that cause corporate failures of Nigerian banking industry.

For any economy to develop and grow in the world, it financial sector must be strong, dependable, effective and efficient (Njanike, 2009). The existence of an adequate banking industry is a remedy to growing any economy (Owolabi, 2010). Despite the significant role the banking sector plays in the development of Nigerian economy, the high rate of continuous increase and a decrease of fraud and fraudulent activities in the industry are getting to the level that many stakeholders in the sector are losing trust and confidence in the banking sector.mThe objectives of this study are two. The first objective is to examine the significant relationship between forensic accounting and corporate fraud prevention in Nigerian listed deposit money banks. The second objective of this study to investigate the significant relationship between internal audit quality and corporate fraud prevention in Nigerian listed deposit money banks.

Empirical studies by Kasum (2009), Chi-Chi and Ebimobowei (2012), Efiong (2012), Modugu and Anyaduba (2013), Enofe, Okpako and Atube (2013), Modumere and Onumah (2013), Samuel Ajao and Okwu (2013), Yadrichukwu and Ogochukwu (2013) and Gbegi and Adebisi (2014) Suleiman and Dandago (2014) on the forensic accounting service has been developed to investigate its impacts on the financial fraud prevention. However, there have been a few attempts to study this issue in an emerging market such as Nigeria commercial banks. This study would make contribution to the literature on corporate fraud prevention in Nigerian listed deposit money banks, as it examines the impact of forensic accounting, internal audit quality on corporate fraud prevention among the listed banks in Nigeria.

2. Empirical Review of Literature and Hypotheses Development

The term 'fraud' primarily "involves using deception to make a personal gain dishonestly for oneself and create a loss for another" (Famous & Okoeguele, 2012). Although the legal definitions of fraud may vary from country to country, most are based around these general themes. Examples of fraud are activities, such as, theft, corruption, conspiracy, embezzlement, money-laundering, bribery and extortion (Bhasin, 2007). Anyanwu (1993), stated that fraud is an act of deception, deliberately practiced to gain an unlawful or unfair advantage. Such deception is directed to the detriment of another. Black (1979) defines fraud as many human ingenuity can devise, which are resorted by an individual to get an advantage over another something by false identification or suppression of the truth. Fraud includes tricks, dissembling, cunning and any unfair activity that another is cheated.

According to Okoye and Akenbor (2009) Forensic accounting is a combination of two key words-forensic and accounting. While the term forensic means belonging to use in, or suitable to the court of law, accounting is the system of recording, summarising, analysing, and; verifying business and financial transactions as well as reporting the results thereof. Thomhil (1995) states that forensic accounting is a relatively new concept. Hence, there has been no formal definition being accepted as a standard. As such, he defined forensic accounting as an accounting analysis to assist in legal matters, which will form the basis for discussion, and ultimately dispute resolution (Okoye & Akenbor, 2009). The American Institute of Certified Public Accountant (AICPA) defines forensic accounting as services application that involve the specialised knowledge and investigative skills possessed by certified accountants. Forensic accounting services utilize the practitioner's skilled accounting, auditing, economic, tax, and other skills (AICPA 2010; Huber, 2012).

Forensic accounting has been variously defined and the scope differently stated. According to Manning (2002), forensic accounting is the combination of accounting, auditing and investigative skills to a standard that is required by a court of jurisdiction to address issues in dispute in the context of civil and criminal litigation. The import of this definition is appreciated when the context of civil and criminal litigation is emphasized. It can further be appreciated that forensic accounting utilizes accounting, auditing, and investigative skills to assist in legal matters (Famous & Okoeguele, (2012). According to Dada, Owolabi and Okwu (2013) forensic accountant's primary duty is to analyse, interpret, summarise and present financial issues in a manner that is both readily understandable by the layman and adequately supported with justifications. The forensic accountant's service are relevant to various types of business organisation. Much of the function of the forensic accountant is connected with an evaluation and of past and projected profits as well as preparing business valuations. Forensic accounting expertise is useful in litigation involving loss of profits, breaches of contract, fraud, tax investigations and professional negligence.

Internal audit quality means the extent to which an internal audit office meets its purposes (Mihret & Yismaw, 2007). According to Mizrahi and Ness-Weisman (2007) internal audit (IA) quality is the ability of the internal auditor's intervention in prevention and correction of deficiencies. Internal audit effectiveness is defined as "the number and scope of deficiencies corrected following the auditing process" (Badara & Saidin, 2013, p 5). Davies (2001) state that many organizations depend on their IAs to give guidance and advice at different levels of management. Internal audit plays an essential role in the organisational process, and it is not only to perform ordinary assurance activities but to serve as a strategic partner of the organization. It also adds value to its activities towards improving organisational processes and ensuring their effectiveness and efficiency (Mihret et al. 2010; Savcuk, 2007; Badara & Saidin, 2013). However, organizations with effective and efficient internal audit function are more than those that have not such function to detect fraud within their organizations (Badara & Saidin, 2013). The IA functions to assess the effectiveness of the organization's internal controls and to report to management where and how internal controls could be strengthened. Besides, auditing financial transactions, IA activities may also cover non-financial areas such as business unit processes, geographical areas and compliance with laws and regulations (Rae & Subramaniam, 2008). Perry and Bryan (1997) argue that the IA plays a crucial role in the prevention and detection of fraud within an organization by ensuring that the audit is well planned and that a proper IA program exists. Having a broad scope of audit operations and activities, in particular, is seen as crucial to identifying areas where the controls are not entirely functioning, and procedures are unclear. Likewise, McNamee and McNamee (1995) in their characterisation of the history of internal auditing, note that IAs has become a primary agent for transformational change in helping users of systems improve the design of their controls (Rae & Subramanian, 2008).

An Expert over time attempted to formulate theories that explain the mindset of the fraudster. Unless forensic accountants understand the way the fraudster thinks, they will not be able to keep one step ahead of the fraudster. The theory used in this study are the theory of fraud of fraud triangle. The fundamental observation of Donald Cressey (1919-1987), in the theory of fraud triangle, was that fraud is likely to occur given a combination of three factors i.e. pressure, (motivation), opportunity and rationalization. Albrecht et al. (2008) emphasized in the theory of fraud scale that when situational pressure and perceived opportunity are high, and personal integrity is low, then fraud is likely to occur (Ikechi & Okay,2013). However, critics of the fraud triangle contended that the theory alone cannot help in explaining fraud itself because two factors cannot be observed (rationalisation and pressure), and other relevant factors, like capabilities of the fraudsters, are ignored (Kassum & Higson, 2012). Fraud triangle theory is to investigate the causes of fraud. This was first coined by Donald R. Cressey (1953) called the fraud triangle or triangle cheating. Fraud Triangle describes three combinations of factors that are present in every situation of fraud:

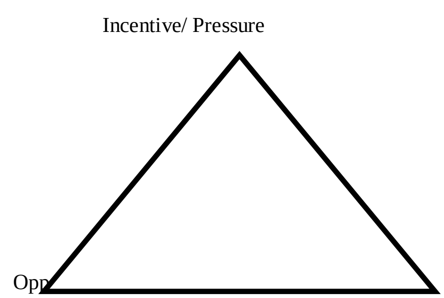

Figure 1: Fraud Triangle Theory Cressey (1953)

The demand for and availability of forensic accountants and the internal auditor can be compared to the economic demand for and supply of goods and services. It is clear from the literature that forensic accountants and the internal auditors held to higher standards in their ability to understand and discover fraudulent activities within organisations" (Carnes & Gierlasinski, 2001). Forensic accountant and the internal auditor are no doubt, in very high demand to help in dealing with issues of fraud and fraudulent activities which have ravaged the Nigerian banking industry. The theory of fraud triangle, therefore, has relevance in this study.

2.1 Theoretical Framework and Hypotheses Development

This study investigated two (2) major determinants of corporate fraud prevention, namely; forensic accounting and internal audit quality. The hypotheses of the study were developed based on the previous literature.

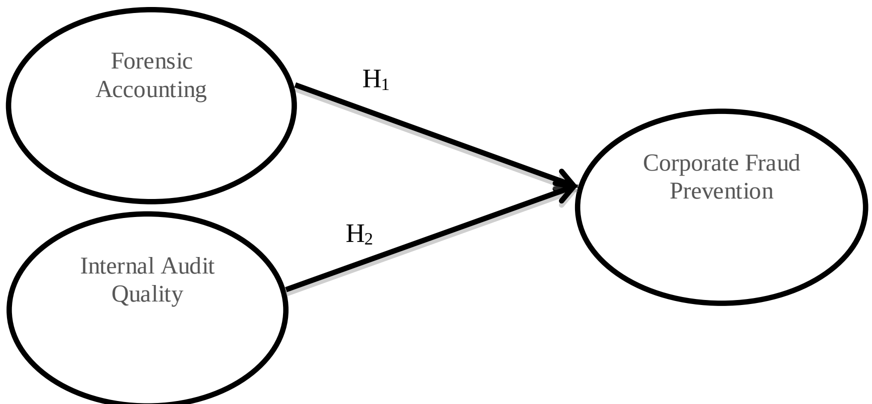

Figure 2.Conceptual Framework

2.2 Forensic Accounting and Corporate Fraud Prevention

Okunbor and Arowoshegbe, (2012) shows that the quality of forensic accounting services in Nigeria is determined by the quality of forensic accounting personnel and the methods/approaches employed by the forensic accountant. Huber (2013) strongly suggest that forensic accountants they did not consider and use due diligence in investigating the firms that issued their dedication prior to obtaining their certifications. Failure to use due diligence in investigating forensic accounting firms is especially perplexing since the Codes of Ethics of two forensic accounting businesses require the exercise of due diligence A study by Kasum, (2009) shows a positive attitude toward forensic accounting. The study shows that the services of the forensic accountant are required in both the private and public sector of the Nigerian economy especially in relation to fraud and corruption issues. Temitope (2014) found that forensic investigation and forensic litigation were significant factors in explaining changes in financial performance of commercial banks in Nigeria. It also found that forensic financial information significantly improved the performance of commercial banks in Nigeria.

Modugu and Anyaduba (2013) concluded that there is significant agreement amongst stakeholders in the effect of forensic accounting in fraud prevention, improving financial reporting and internal control. Madumere and Onumah (2013) study shows that there is a significant and positive association between forensic accounting, and financial reporting, economic performance and cost of capital. Muthasamy (2010) shows significant positive influence of attitude, organisational ethical climates stakeholder's pressure on the occurrence of frauds. Therefore, based on the above evidence the following hypothesis is proposed:

H_1: There is a significant relationship between forensic accounting and corporate fraud prevention of the Nigerian listed deposit money banks.

2.3 Internal Audit Quality and corporate fraud Prevention

Internal audit is among the important part of the corporate governance structure of the organisation. Corporate governance includes those oversight activities undertaken by the independent board of directors and audit committee. To ensure valid, accurate and reliable financial reporting process (Public Oversight Board 1993). The previous study by Alleyne (2005) revealed that users showed moderate disagreement in fraud being a major problem compared to the substantial differences of the auditors. In addition, both groups did not view fraudulent financial reporting as a major issue. Coram, Ferguson and Moroney (2006) shows that organisations with effective and efficient internal audit function are more likely to detect and report fraud incidence than those that do not. The study also revealed that segregation of duties in the internal audit function is more useful in identifying and reporting fraud. Robu et al. (2012) shows that there is a significant connection between the occurrence of financial frauds and the affiliation to a particular auditor (member of Big4Therefore, based on the above evidence the following hypothesis is proposed:

H_2: There is a significant relationship between internal audit quality and corporate fraud prevention of the Nigerian listed deposit money banks.

3. Method and Material

The population of this study consists of all the quoted DMBs on the Nigerian stock exchange as at 2015. The best sample is the complete population itself, because every element of the population is represented in it (Asika, 2009). Therefore, all the 15 banks were used as the sample size for wider coverage.

Table 1: List of Quoted Banks in Nigeria

S/N	Bank Names	Year of Listing
1	Access Bank Company Plc	1998
2	Diamond Bank Plc	2005
3	Eco Bank Plc	2006
4	First Bank of Nigeria	1971
5	First City Monument Bank Plc	2004
6	Fidelity Bank Plc	2005
7	Guarantee Trust Bank Plc	1996
8	SKYE Bank Plc	2005
9	Stanbic IBTC	2005
10	Sterling Bank	1993
11	United Bank for Africa	1970
12	Union Bank	1970
13	Unity Bank	2005
14	Wema Bank	1991
15	Zenith Bank Plc	2004

Source: Generated by the Researcher from the NSE Fact book (2015)

Krejcie and Morgan (1970) model of sample size determination used to determine the sample size for this study. Meanwhile, for the purpose of this study two hundred and seventy-four (274) the respondents were chosen from the internal audit and internal control unit staff out of the population of nine hundred and forty five (945) respondents that make up the sample size of the study (N= 945, while n= 274). These enable the researcher to obtain enough data and make generalization of the study. The research instrument, used in this study are purely questionnaire (primary data) given the size of the population. The questionnaire measure the key variables of the research, and a structured questionnaires with close-ended type are to be used for this research work with 1-5 Likert scale which consist of strongly disagree to strongly agree to answer the research questions, and also it is used to measure the responses of the respondents of this study. This study used descriptive and inferential statistics. Descriptive statistics was conducted using frequency, percentages, means and standard deviations for the dependent and independent constructs. The statistical method of correlation and ordinary least square regression analysis was employed in the conduct of this study. This method is used because the investigator is trying to ascertain the effect of certain variables: independent (forensic accounting and internal audit quality) over another: dependent (corporate fraud prevention) in regression analysis, a linear is assumed to exist. This assumption means that the dependent variable must be related to each of the independent variables.

3.1 Instruments Measure

Corporate fraud prevention was measured using nine items developed by Rae and Subramanian (2008) (1993) the items include " training of employee and management", "changes of activities", "internal report" "ethical culture" "positive working environment" " code of conduct" " consistent action" "segregation of duties" "investigation of individual being consider for employment". A ten-point Likert-type scale anchored at both ends with 1 – strongly disagree to 5 – strongly agree was utilised. Forensic accounting variable was measured based on the survey participant's assessment of the respondent's views on the forensic accounting service of the banks regarding financial fraud. The items measured forensic accounting service are litigation support, dispute resolution, investigation of fraud, business/employee fraud, investigations, expert witness services, and mediation and arbitration (Okoye & Gbegi, 2013). Internal audit quality was measured using six items that consist of internal auditor's experience, auditor's tenure, fraud experience, job position and industry specialization (Smith et al., 2005). Respondents were asked to rate certain questions on a ten-point Likert scale varying from 1 (strongly disagree) to 5 (strongly agree).

3.2 Model Specifications

The following models are adopted to be used in explaining the relationship between forensic accounting, internal audit quality, and corporate fraud prevention construct. From the previous studies, the following linear regression equation ware developed.

$$CFP = f\,(\beta 1FAit + \beta 2IAQit \ldots\ldots\ldots\ldots\ldots\ldots 1$$
$$CFP = \beta o + \beta 1FAit + \beta 2IAQit + \mu it \ldots\ldots\ldots\ldots\ldots 2$$

Where CFP= Corporate Fraud Prevention of the listed banks

βo intercepts/ autonomous variable. It depicts the degree of the need for the independent construct even without the existence of corporate fraud prevention.

β_1= Forensic Accounting,

β_2=Internal Audit Quality

μi = The error term or the amount which account for other possible factors that could influence CFP_{it} that are not captured in the model.

4. Results and Discussion

This section presents the result of data analysis in this study. First, descriptive statistics, correlation matrix, multicolinearity and regression result are presented and analysed, and then recommendation will be drawn from the findings of the study. The descriptive statistics for each of the variables were designed to show the Minimum, Maximum, Mean and Standard deviation, skewness and kurtosis values.

Table 2: Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Skweness	Kurtosis
Corporate Fraud Prevention	0.242	0.793	0.14543	0.123321	0.2305	-0.0243
Forensic Accounting	0.00	0.66	0.42367	1.234571	0.3455	0.4234
Internal Audit Quality	0.00	0.73	0.23765	.0920181	-0.6346	0.0654

Source: SPSS Output (2017)

Table 2 revealed that corporate fraud prevention of the firms in the Nigerian deposit money banks ranged from 24% to 79% and with average values of the dependent variable of 14.5% and the standard deviation of 0.12332 indicating that on average, 14% of the observations disclosed corporate fraud prevention related information. Forensic accounting and internal audit quality recorded a minimum value of 0.00 and a maximum value of 0.66 and 0.73 for forensic accounting and internal audit quality respectively. The Table also shows that forensic accounting have an average value of 0.42 while leverage have a mean of 0.23. Assessing the data normality is a prerequisite for inferential statistics (Coakes, 2013). To achieve that the standard data normality test was carried out to check for the normality of the data used in the study. This study used skewness and kurtosis to test the normality of the data. The Table 2 above shows that the skewness and kurtosis of the distribution support the normality distribution of the data as both values fall within the range of -1 to +1. Values falling outside of this range indicate a non-normal distribution of data (Hair et al., 2010). The skewness values were all close to 0 and 1, the data is considered to be tolerably mild and normally distributed. Therefore the result from the normality test indicates a normal data distributionand substantiates the validity of the regression result.

Table 3: Correlation Matrix of Variables

Variable	CFP	FA	IAQ
CFP	1		
FA	0.0421	1	
IAQ	0.0235	0.2219	1

Source: SPSS Output (2017)

The Table 3 summarizes the correlation coefficients which reveal the association between corporate fraud prevention, forensic accounting and internal audit quality. From the correlation coefficients for the model shown in Table 3, no high correlation is found among the variables. As a result, collinearity does not appear to create a threat to the interpretation of regression coefficients of the independent variables in this model. However, from the Pearson correlation result, the highest coefficient is 0.221 between IAQ and FA.

Table 4: Summary of Regression Result

Variables Regressed	Coefficient	t-value	P-value	Tolerance	VIF
(Constant)	0.428183	0.6778	0.107		
Forensic Accounting	0.588	4.449	0.000	0.3322	1.376
Internal Audit Quality	0.292	6.866	0.000	0.2453	2.567
R- squared					0.652
Adjusted R- squared					0.745
F-Statistic					0.000
D/W					1.232

Predictors: Forensic Accounting, Internal Audit Quality
Dependent Variable: Corporate Fraud Prevention
Source: SPSS Output (2017)

The R-squared is known as the coefficient of determination and it tell the variation independent variable due to changes in an independent variable, from the above Table the R-squared was 0.652 which tell that there was 65.2% variation in corporate fraud prevention due to changes in forensic accounting and internal audit quality. The R-squared of 0.652, precisely 65.2%, is the proportion of variations in corporate fraud prevention that is explained by the regression model. The adjusted R^2 is 0.745 that is 74.5%, indicating that the dependent variable was explained in variations in the independent variable. Thus, the Adjusted R^2 shows that forensic accounting and internal audit quality accounts for 74.5% of the variation of the corporate fraud prevention of the listed deposit money banks in Nigeria. However, the Durbin-Watson statistics which is 1.232 indicates that there is no autocorrelation in the model. The F statistic of 109.189 is obtained by dividing the regression mean square by the residual mean square. The significance value for the F-statistic is 0.000, which is less than the benchmark of 0.05. From Table 4, tolerance value (TV) ranges from 0.245 to 0.3322 which suggests non-multicolinearity feature.

Multicolinearity feature exists when the value of TV is less than 0.10 (Sekaran & Bourgeois, 2013). The VIF which is simply the reciprocal of TV is 1.376 and 2.567 1.224 for forensic accounting and internal audit quality respectively, this indicates the absence of multicolinearity. Thus, it was revealed that VIF values are less than 10 while the tolerance values are more than 0.10 indicating the absence of multicolinearity among independent variables.

As revealed from Table 4, forensic accounting had positive significant effect on corporate fraud prevention of listed deposit money banks in Nigeria (β=0.588, t=4.449, p-value = 0.000). Also, internal audit quality have positive significant effect on corporate fraud prevention of Nigerian listed deposit money banks (β= 0.292, t=6.866, p-value = 0.000). However, the probability or observed significance level of 0.000 is less than the benchmark of 0.001. Thus, null hypothesis one of this study that there is a significant relationship between forensic accounting and corporate fraud prevention of the Nigerian listed deposit money banks is accepted.

The results in Table 4 shows that whenever the independent variable forensic accounting increases by 1 unit the dependent variable corporate fraud prevention also increased by 0.588 units. This indicates that forensic accounting improved the corporate fraud prevention of the listed deposit money banks in Nigeria. This is because as forensic accounting increases that of the corporate fraud prevention also increased. Thus, forensic accounting has a significant positive relationship with the corporate fraud prevention of the Nigerian listed deposit money banks. This finding is consistent with previous results by Koh (2009), Kasum (2009), Muthasamy (2010), Islam, et al. (2011),Chi-Chi and Ebimobowei (2012), Omar et al. (2013),Okoye (2013), Okoye and Gbegi (2013) and Bhasin (2013) which found the forensic accounting to be positively influence the corporate fraud prevention and also useful in prevention of fraud. The result also aligns with the study by Enope, Okpako, and Atube (2013) which revealed that application of forensic accounting service significantly influenced the level of fraudulent activities. Also, the finding aligns with the study by Dada, Owolabi and Okwu (2013) which reported that fraud reduction is significantly and positively related to fraud investigation and detection through forensic accounting. There are few others who believe that there is no such prevention and hence their applicability does not prevent fraudsters from committing the crime (Okunbor & Obaretin, 2010; Okenbor & Tennyson, 2013). This result is also in congruence with field study findings whereby 90% of the literature agreed upon the existence of the positive relationship between forensic accounting and corporate fraud. Therefore, this study confirms forensic accounting as an important factor that influences corporate fraud prevention of the listed deposit money banks in Nigeria

In evaluating the model based on the regression result in Table 4. The regression coefficient of the model is positive (β=0.292, t=6.866), with a p- value of 0.000 significant at only .1%. This indicates a significant positive effect of internal audit quality on corporate fraud prevention of the Nigerian listed deposit money banks. However, the probability or observed significance level of 0.000 is less than the benchmark of 0.001. Thus, the hypothesis two of the study that there is a significant relationship between internal audit quality and corporate fraud prevention of the Nigerian listed banks is accepted. Thus, internal audit quality has a significant positive relationship with the corporate fraud of the Nigerian listed deposit money banks. From the results in Table 4, the Model is constructed to explain the nature of the relationship between the dependent variable corporate fraud and the independent variable internal audit quality. The model shows that whenever the independent variable internal audit quality increases by 1 unit the dependent variable corporate fraud increased by 0.292 units. This indicates that internal audit quality improved the corporate fraud prevention of the listed deposit money banks in Nigeria. This result shows that internal audit quality improves the corporate fraud prevention of the listed banks in Nigeria. The results of hypothesis indicated that there is significant statistical evidence to reject the negative influence of IAQ on corporate fraud. This finding support many other studies in this area (for example, Robu et al. 2012; Coram, Ferguson & Moroney 2006; Efiong, Inyang & Joshua, 2016; Muslimat & Hamid, 2012; Suleiman & Dandago, 2014).

5. Conclusion and Recommendation

This study aimed to examine the relationship of forensic accounting, internal audit quality on corporate fraud prevention of the listed deposit money banks in Nigeria. To address this, relevant data were collected and analysed and from the analysis, results were obtained and discussed. From the discussion of the results, the following conclusions and recommendations were drawn. The result of this study shows a significant positive relationship between the forensic accounting, internal audit quality and corporate fraud prevention of the listed deposit money banks in Nigeria. The result of this study revealed that forensic accounting positively influences corporate fraud prevention of the listed deposit money banks in Nigeria. Therefore, this study concludes that forensic accounting service is reducing the level of corporate fraud in the Nigerian banks. The anti-corruption agencies in Nigeria such as EFCC, ICPC should be restructured by the government for better performance; professional accountancy bodies in Nigeria should ensure that forensic accountants are trained with modern skills and procedures. The financial reporting council should ensure that best standards and regulations are well established.

The result of this study also shows a significant positive relationship between the internal audit quality and corporate fraud prevention of the Nigerian listed deposit money banks. Therefore, this study concludes that internal audit quality is reducing the level of corporate fraud in the Nigerian listed banks. To ensure best practice service delivery, banks should invest in the human capacity building to improve the quality of internal auditors on their payroll and Nigerians should embrace integrity, objectivity, fairness, accountability as a moral duty to reduce or eliminate the level of fraud and fraudulent practices in the banking industry. This study suggests that banks in Nigeria should formulate sound personnel policies to attract people with good moral standing as bank internal auditors.

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City branding, Kuala Lumpur vs. Dubai; the tale of two cities

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Abstract

This paper compares the branding strategies of two cities as major tourist destinations; Kuala Lumpur and the city of Dubai. Because tourism revenues are vital sources of income, both cities compete to attract visitor. The methodology applied in this research is qualitative in nature through interviews with experts from the department and ministry of tourism in both cities, and secondary data available through governmental agencies. The significance of this research lies in highlighting successes and failures of branding strategies at the national and local levels. Findings shows that tourism has been declining in Kuala Lumpur and Malaysia steadily over the past three years despite declining value of the Malaysian Ringgit. This is primarily because of lack safety and increasing insecurity, corruption, negative publicity in media and competition from neighboring destinations such as Thailand, Indonesia, Myanmar, Vietnam, Philippines, Cambodia and Singapore. While Dubai managed to increase the number of visitors in post 2008 financial crises through consistency of services offerings, the role of Emirate Airlines, and capitalization on core competencies.

Keywords: Branding, economic development, tourism, culture, South-East Asia

1. Introduction

As nations and cities compete to drive traffic of visitors to their cities, city branding becomes more important than ever to distinguish destinations Dinnie (2015). Both cities of Kuala Lumpur and the city of Dubai are major international destinations for tourists. Although geographically disbursed, both cities also compete for similar market segments of business travelers and vacationers. Between 2009 and 2013 Chinese tourists comprised the largest number of visitors to both cities (Gulf Business, Tuesday 27 May 2014). As such, both the governments of Malaysia and UAE rush to increase the such numbers in an effort to help pull out of the post-financial crises of 2009. However, typography and climate significantly vary in the two cities. This is in addition to the fact that Malaysia can advertise the entire nation with all it got to offer to the target audience, while the city of Dubai is the main destination for the United Arab Emirates. This adversely creates identity conflict for Dubai (Stets and Burke 2000).

Moreover, between 2009 and 2015, a combination of events affected tourism in both cities and caused fluctuation of incomers. The fist, is the financial crises of 2008-2009, and the second is of regulatory nature. Both governments reacted differently to emerging events, which impacted subsequent events in both cities. While the city of Dubai, which is comprised of 92% expatriates and 8% local national (Dubai Statistics Center 2017) had a mass exodus as a result of post 2009 financial crises (hindustantimes Mar 09, 2016), Malaysia managed maintain the number of visitors. However, six years down the road, the city of Dubai managed to increase the number of visitors while visitors sharply decreased in Malaysia and particularly in the city of Kuala Lumpur.

The problem statement resides in the contradiction that exists between the objectives set by the governments of both cities, and actual policies to achieve such objectives. This also extends to the problem of identity and social identity theory raised by Stets and Burke 2000) and Fan (2006; 2008) on what exactly is being branded in city branding, and how things can go wrong in during a period of financial duress. The objective of the study is to examine branding strategies in both cities and assess the cause effect relationship that resulted in significant variation of initial intended objectives set for both cities in post 2009 financial crises. The significance of this study rests in the existing gap available in current academic literature, which is almost non existing, especially in the case of the city of Kuala Lumpur, that evaluates and highlights causes contributing to the significant decline in the number of visitors in post 2009 financial crises, while a rebound and increase in the case of the city of Dubai.

2. Literature Review

City/Nation branding

With feverish racing amongst cities from China to Peru to brand and distinguish their cities from one another, prominent voice calling aloud for nation/state branding similar to that of corporate branding is non ending (Anholt 1998; Dinnie 2015; Fan 2004; Gertner 2002; Kotler and Lee 2009). The origins of nation branding can be traced to the work of (Kotler et al, (1993) Kotler and Gertner (2002) Fan (2008) and Smith (1991).

Dinnie (2007) argued that branding of a nation should be tide to a national identity, while (Gilmore, 2002; Teslik, 2007; Roth and Diamantopoulos, 2009) assert that city/nation branding should be treated just like corporate branding and all about reputation, image and positioning. Moreover, Anholt (2007), Lee (2009) Gudjonsson (2005) and Porter (1990) content to the notion that nation branding is primarily concerned with creating national competitive advantage. The ultimate objective then of branding a nation is still widely disputed. Olins (1999) emphasises that branding a nation is about reshaping nation's identity, while Jaffe and Nebenzahl (2001) affirms that it's about creating a centre for sports, cultural and political activities.

Rendon (2003) and Szondi (2007) view the subject from the point of view that it is all about fostering country's image nationally and globally. However, although Gudjosson (2005) and Fan (2004; 2005) hold the view nation branding is concerned with nation's reputation and image, Fan (2006; 2007) go a step further to state that nation branding is about creating soft power. Fan (2008a) rightfully claim that variables discussed above and associated with nation branding are different constructs. Such differences however allow for several perceptions associated to the concept of nation branding.

Branding Dubai

The city of Dubai has been successfully branded as a destination. Initially, in an attempt to create an economy by opining up to the rest of the world, the branding objectives was concerned with drawing traffic of tourist through exhibitions and conferences to the city (Hvidt 2007). Taking advantage of Emirate Airlines as a hub and fairly relaxed nightlife, the local planning authorities soon realised that capitalising on shortage and lack of political stability in the region can drive the needed traffic to the city (Matly and Dillon 2007).

This concept slowly evolved to target high-end shoppers and business people in an attempt to create a regional business hub and a major shopping destination (Henderson2007). Such growth led to inevitable hyper investments in real estate to create the necessary infrastructure tourists need to maintain such business model (Renaud 2012). However, the financial crises of 2008-09 had a devastating effect on a city with over 92% of residents being expatriates (Davidson 2009). With mass exudes of foreigners from Dubai to their home countries because of loss of employment, local authorities left scrambling to deal with such unanticipated phenomenon (The Guardian 2009). With numerous industry reports and academics warning of post boom bust (Stephenson 2014; Henderson 2007) local authorities quickly had toadjust their policies to adapt and to improve the sustainability model of tourism as a major source of revenue to the city/state (Nankevis 2009).

Branding Kuala Lumpur

Branding Kuala Lumpur as a destination is an integral part of branding Malaysia as a country (Caldwell and Freire 2004; Dinnie 2010). Malaysian government since the early 1990's came to the realisation that tourism plays an integral economic role in the development of other sectors and significantly contributes to gross domestic production (Brohman 1996). The overall branding strategy as a major Asian destination also fuelled massive investments in infrastructure and development of the tourism sector. But in the face of 2008-09 financial crises and contrary to common wisdom, Malaysia experienced growth in the number of tourist, then a stagnation and decline in recent numbers (). What set of events and policies lead to such undesirable events? Lean and Tang (2010) attribute it to statistical figures of crime, inflation and unemployment. While Firend (2015) anticipated such decline to self inflicted mismanagement of microeconomics that inevitably lead to decline in the tourism sector amongst other sectors of the Malaysian economy. Such variation then causing two competing cities to have such varying performance in attracting customers and ultimately impacting the city brand, need to be explored further with constructs such as attributes, safety, climate, and policy in mind.

The theoretical framework influencing the structure of this paper follows Fan (2004; 2005; 2006). Fan stressed that number of variables are imperative in the successful understanding of city branding strategy such as identity, cultural characteristics of the city, regulations, infrastructure, and safety. Both cities as subjects of this study enjoys similar characteristics, which makes them ideal for examination.

3. Methodology

The methodological approach for this study is qualitative exploratory consisting of two main components. This first is content analysis of secondary data available on both cities as units of analysis. The second is interactive unstructured interviews with open ended question. Secondary data analysis included industry publications and publications by the governmental agency, Tourism Dubai and Ministry of Tourism and Culture Malaysia. Secondary data used in the content analysis also included Dubai Statistics Center, official Malaysian statistical reports on inflation, economic activities and tourism.

Research participants in the interactive interviews included the following; Dato' Sri Maznah Mazlan, a deputy chairman of Malaysia tourism promotion board on January 13, 2016, and Mr. Helal Almarri, director general of the department of tourism and commerce marketing on May 11, 2016. The procedure of data collection included open-ended questions that allowed the participant to reflect and elaborate in their answer as necessary. Additional questions were asked as themes emerged to get better insight and understanding of further details and rational. Answers were analysed using open coding system to classify themes and points. Emerging themes were significant and provided an insight into topics rarely reported on in news, such as crime rate and up to date information regarding lack of policy enforcement, which is not reported in any official publication. Interviews were instrumental in by paved the way to consider the examination of the corruption index for instant and the reports on crime rates, which are not necessary reported by agencies to keep such figures low.

Conceptual framework approach in this study was influenced by Berg et. al. (2004) and Doody and Noonan (2013) findings preparation, conducting interviews and data collection. Interviews proved to be advantages in getting the researchers attention to areas of investigation and variables that were not taken into consideration or not aware of their importance till they emerged as a theme. This was true in the case of unreported petty thefts and crime rates in Malaysia for instance since it negatively impacts tourist perception of the city brand. However uncontrolled factors such as news agencies reporting the rising crime rate in the city of Kuala Lumpur was hampering the city brand. Lack of interdepartmental among government agencies in Malaysia supporting the city brand also emerged as a theme through the interview. This would not have been reported in any of the governmental literature, reports or news agencies. The opposite was true in the case of the city of Dubai. Intergovernmental cooperation was shown as high priority in supporting the city brand by being aware the importance of this sector to the city's economy. Governmental agencies were shown to be more responsive to the city brand in the case of Dubai rather than in the case of Kuala Lumpur.

4. Results & Findings

In the case of Malaysia, data provided by Malaysia Tourism agency (Table-1) although statistics showing an increase in the number of arrivals to the country during 2014, yet the numbers of visitors have declined in 2015 and continued in decline during first 2 quarters of 2016, bringing numbers back to that of post 2008-09 financial crises. The reported percentage change year-on-year in 2015 is (-6.25%) (My Tourism Data). The largest contributing in number of visitors in 2014 were S. Korean tourists (Tourism Malaysia report 2014) with an increase of 40.5% year-on-year from 2013, while a constant decline in the number off tourist from China by 9.9% from 2013, which traditionally have been a main contributor of tourist since 2009. The highest contributor to international tourist arrivals are from the ASEAN countries, comprising countries of the Association of Southeast Asian Nations (Tourism Malaysia report 2014) totaling 20.4 million tourists in 2014 compared to 19.1 million in 2013, forming a 74.3% share of total arrivals. This is a byproduct of the Malaysian policy of to increase Intra-ASEAN activities in hope to raise the number of tourist, while large number of such visitors are found to be seasonal or temporary workers. This further confirms Orange, Seitz and Kor (2012) findings and confirms earlier findings of Uriely (2001).

A closer look at number of arrivals (Table-2) indicates however that the majority of visits are from the neighboring country of Singapore totaling 13,932,967 million in 2014, which is more than double of the amount of the entire population of Singapore. Majority of cross border visits however are either short visits over the weekend to the city of Johor for a night out, or Malaysians living on the Malaysian side of the border in State of Johor and working in Singapore to avoid expensive Singaporean rent. However, they are still incorporated in the total number of visitors to Malaysia, which significantly inflates the true number of visitors to the country. This also confirms Barter (2006) findings. Similar case can be made in the number of Indonesian visiting Malaysia (Table-2) when considering that the largest contingent of workers in Malaysia are Indonesian nationals. Such workers are forced to repeatedly exit Malaysia and return to their homes in Indonesia either to visit their families and/or exit to be allowed an entry visa again upon the expiration of their visit visas. Large number of such visitors are in reality workers exiting and re-entering. However, they are still incorporated in the overall statistics as tourist visitors. Findings further shows that competition from neighbouring destinations such as Thailand, Indonesia, Myanmar, Vietnam, Philippines, Cambodia and Singapore are taking away tourists. The number of visitors to Thailand, Indonesia, Myanmar, Vietnam, Philippines, and Cambodia has been increasing over the past three years.

Findings further confirms Tang (2009; 2011) assertion that rise in inflation, crime rate and slowing economic growth in Malaysia may contribute to the decline in tourism. Crime in Kuala Lumpur has sharply increased between 2008 and 2016, while crime and safety in Dubai is amongst the lowest in the world. Corruption in Malaysia constantly emerged as a theme, confirming Case (2008) and Siddiquee (2010) that there is little real opposition to corruption and it is contributing to policy inefficiency. Malaysia ranked fairly high in the Transparency International (Corruption Perception Index 2016), obtaining a rank of 55, while the United Arab Emirates, maintained a low of 24 in the same index.

Firend (2015) also confirmed lack of willingness in Malaysia to enforce efficient and effective policy, largely because of widespread phenomenon of inertia amongst institutions. Inflation in Malaysia has also been rising (Graph-2) since 2015 since government lifted subsidies on essential commodities like sugar and oil, largely because of budget deficit caused by high spending and low global oil and gas prices, which negatively impacted national revenue.

The city of Dubai in the other hand also has been experiencing high inflation of 2.91% according to Dubai Statistics Center (2017) yet this seems to impact mostly expatriates majority living in the city of Dubai rather than visitors. In 2015, Dubai experienced 14.2 overnight visitors an increase of 7.5% (Table-3) from 2014 beating global tourism industry average (Government of Dubai, Tourism 2015). The rise in the year-to-year to the city of Dubai has been rising since the post 2008-09 financial crisis, however the majority of visitors are not evenly distributed across the glob in terms of region, and dominated by the neighboring countries of the Gulf Cooperation Council "GCC" and India (Graph-1). In the absence of post 2008-09 financial crises, a strong global tourism industry has shifted between regions. Dubai want to maintain the global image of a shopping and business city seems to maintain such image primarily amongst the Saudi neighbors and India. Findings also reveals that economic conditions in China are contributing to the decline in the number of Chinese tourists to both destinations, Dubai and Kuala Lumpur, which is an indication of the economic impact on the average Chinese traveler.

When comparing the element of weather and climate, most defiantly Kuala Lumpur and Malaysia as a country has more to offer, yet statistics are showing more increase in number of visitors in Dubai rather than Kuala Lumpur. This may be attributed to the lack of effective policy from the Malaysian part that reinforce the brand. For instance, the crime and corruption in Malaysia is constantly being reported in major news networks from 2012 to 2017 significantly contributing to negative brand image, impacting ultimately Kuala Lumpur and Malaysia as destination. Such negative news coverage is also being powered by the desire of the Malaysian government to implement “Hudood” (Islamic Shari’a Law), which also extends to travelers to the country. As such lack of cohesive policy that supports the city/nation brand almost inevitably hamper the brand image.

Conversely, in the city of Dubai, a cohesive policy fostering global events such as the Expo 2020 and Global Village shopping festival, maintaining law and order, expanding their image as shopping and business city for the region seems to work in favor of Dubai for the time being. Moreover, a more diverse strategic branding policies to sustain global image will be challenging in the future. Implication of this research confirms Stets and Burke (2000) assertion that cultural identity significantly influences the city/place branding. This research further makes the assertion that even when a city is well branded and enjoys the needed amenities and tourism infrastructure, crime and safety significantly influence the level of tourism through perception and hampers the image of the city brand. Implications of this research further affirm that lack of collaborative efforts by intergovernmental departments to support the city brand, would ultimately affect the perception and the importance of the city as destination.

Year	No. of Arrivals
2015	25.70 million
2014	27.44 million
2013	25.72 million
2012	25.03 million
2011	24.71 million
2010	24.58 million
2009	23.65 million
2008	22.05 million
2007	20.97 million
2006	17.55 million
2005	16.42 million

Table 1: Number of visitors/arrivals across all boarders in millions.

Source: Tourism Malaysia 2014 Annual Report

Rankin	Nationality	2014	2013	% Change
1	Singapore	13,932,967	13,178,774	+5.7
2	Indonesia	2,827,533	2,548,021	+11.0
3	China	1,613,355	1,791,423	-9.9
4	Thailand	1,299,298	1,156,452	+12.4
5	Brunei	1,213,110	1,238,871	-2.1
6	India	770,108	650,989	+18.3
7	Philippines	618,538	557,147	+11.0
8	Australia	571,328	526,342	+8.5
9	Japan	553,106	513,076	+7.8
10	United Kingdom	445,789	413,472	+7.8
11	Others	3,592,183	3,140,893	+14.4

Table 2: Tourist Arrivals to Malaysia from 10 major markets 2014/2013

Source: Tourism Malaysia 2014 Annual Report

Rank	City	Crime Index	Safety Index
1	Selangor, Malaysia	78.90	21.10
2	Kuala Lumpur, Malaysia	69.59	30.41
3	Baghdad, Iraq	69.54	30.46
4	Dhaka, Bangladesh	69.11	30.89
5	Ulaanbaatar, Mongolia	65.32	34.68
6	Male, Maldives	65.23	34.77
7	Karachi, Pakistan	64.18	35.82
8	Noida, India	63.73	36.27
9	Gurgaon, India	62.46	37.54
10	Manila, Philippines	60.92	39.08

Table 3: Crime Index

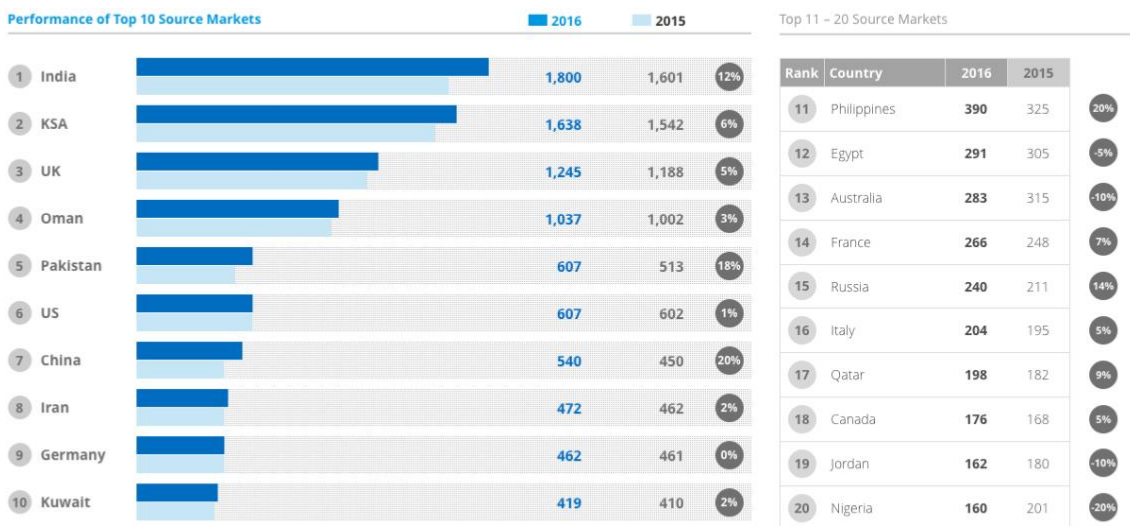
Source: https://www.numbeo.com/crime/region_rankings.jsp?title=2017&region=142

% of overall visitors	Region
6%	North America
5%	Africa
11%	MENA
21%	Western Europe
23%	GCC
18%	South Asia
5%	Russia, CIS, & Eastern Europe
9%	North Asia & Southeast Asia

2%	Australia
Total 100%	

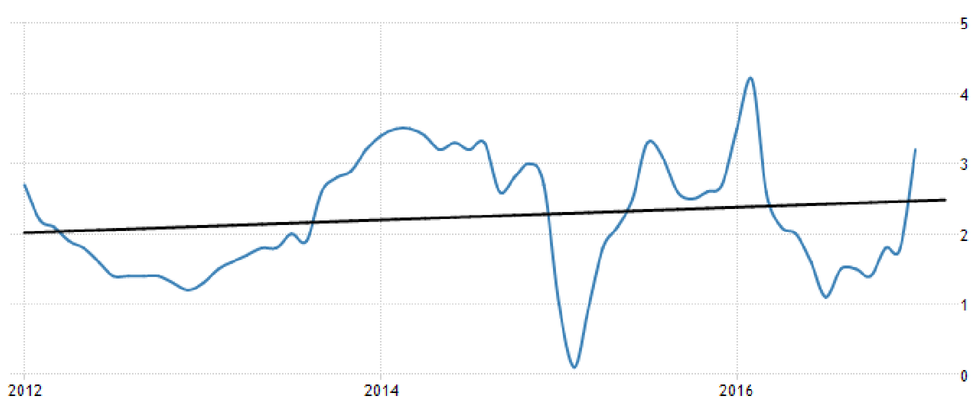
Table 3: Source of visitors to Dubai by region Jan-Dec 2016

Source: Dubai Tourism 2016: Performance Report



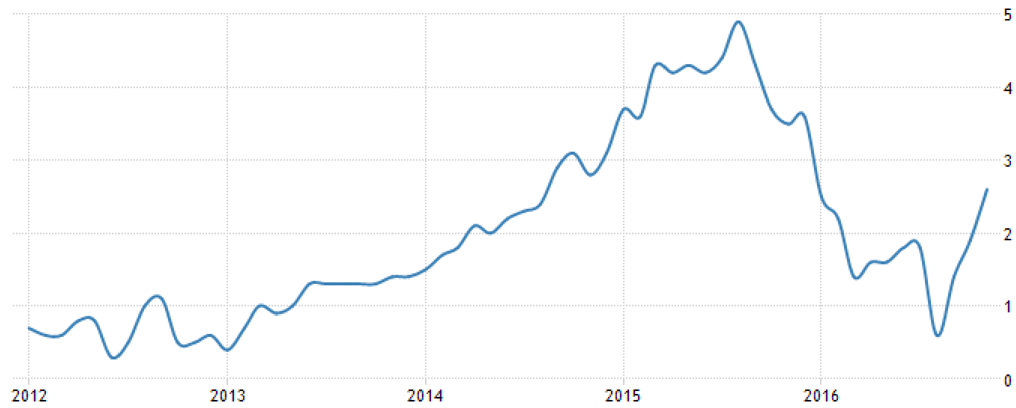
Graph 1: Top 20 source markets for visitors to Dubai (‘000 visitors YOY Jan – Dec 2016 | 2015)

Source: Dubai Tourism 2016: Performance Report



Graph 2: Malaysia Inflation Rate

Source: www.tradingeconomics.com; Department of Statistics Malaysia



Graph 3: United Arab Emirates Inflation Rate

Source: www.tradingeconomics.com; National Bureau of Statistics United Arab Emirates

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A Study on employee resistance towards change-with special reference to Telangana State Road Transportation Corporation

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Abstract

Today's business world is rapidly emerging with drastic changes; the way to survive is to reshape their activities to cope up with changing the environment. Resistance to change is a dead-end street for every organisation. Resistance plays a vital role in change implementation stage of the organisation. The present paper focused on change resistance impact on demographical factors like gender, age, education, experience, job level of employees and how the employee change resistance correlated with organisational communication and employee change acceptance at Telangana State Road Transport Corporation(TSRTC). It is concluding that there is a difference in employee resistances of concerning demographical factors except for gender factor.

***Keywords**: Change, Communication, Organization, Resistance.*

1. Introduction

Employee resistance is not only psychological reaction to change but is a physiological reaction. Resistances may generate by an employee in a confused and depressed tolerated state of mind. The most common reasons for resistance were their negative perception, lack of awareness, lack of interest, trust, strong opposing views and fear about future. Change is a process of modifying or replacing existed process with new procedures. The employee reactions during change process especially resistance play a key role in the introduction of the new process in the organisation. Most of the change initiatives in organisation get a failure with the employee resistances.

Overcoming resistance to change is most important to make the change implementation process become a success. Overcoming will be possible through the creating awareness, develop trust, develop a clear idea about future goals and last foremost to participate the employees in the decision-making process. Controlling resistance in the organisation only can be possible by improving their participation.

2. Literature review

A literature review is taking insights from studies which related to research topic has been published by researchers. Tagiuri and Litwim, (1968) Organizational climate refers to the quality of an organization's internal environment that influences behaviour. Studies addressing resistance to change have found that organizational characteristics do indeed affect an employee's attitudes toward the implementation of change.

Dawson (1994) stated that resistance to change could result from one or a combination of the following factors: substantive change in the job such as skill requirements, reduction in economic security or job displacement, psychological threats, disruption of social arrangements, and lower status. People may become fearful of the new demands that would be placed on them by the change (Stuart, 1995) some may fear that they do not have the experience or tools to change the way they do things. Also, people may feel that change might ultimately impact their job security. These factors all stem from the organizational level. Other characteristics that also stem from the organization that increases resistance to change are a lack of availability, lack of support, low morale, lack of understanding, lack of modeling, and little opportunity to influence McAllister, (1995). Therefore, trust is a key factor in employee emotional reaction towards the implementation effort because, where trust exists, there is more likely to be a positive reaction.

Senge (1997) stated that people do not resist change they resist being changed. It implies that being changed threatens a person's behaviour. Typically, individuals are comfortable with the way that they already do things and being forced to change those behaviours causes them to resist change. Hartel and Hay, (2000) Organizational culture and climate, therefore, will affect employee attitudes and level of commitment to the organization and an organizational change effort. Hartel and Hay, (2000) Trust is also a major issue affecting the way people think about change. Trust in the change leader is a major factor in the change process because trust may help overcome otherwise adverse reactions that employees might have.

Gerhardt (2000) stated that employees who are satisfied with their jobs are more productive, creative and are more likely to be retained by the company. Furthermore, employees are more fulfilled at work when they believe their actions significantly affect others. Therefore, being a part of the decision-making process could help employees be less resistant to change. Frigs, (2002) Self-interest, mistrust, or preference for a status quo may be concrete manifestations of a more subtle cognition: people are simply questioning what the change will mean for them. People often fear that they will lose something that they once had. Hanson, (2003) if management does not take into consideration the feelings of their employees about the change process, their employees will naturally be resistant. Resistance to change means that employees must abandon the attitudes and practices that, in many ways, has led to their current success.

Jager (2001) makes a case that individuals are suspicious about the unfamiliar and are naturally concerned about how to transition from the old to the new, and the learning and training that might be involved in getting to that state. Low tolerance for change is defined as the fear that one will not be able to develop new skills and behaviours that are required in a new work setting. According to Kotter and Schlesinger (1979), if an employee has a low tolerance for change, the increased ambiguity that results as a result of having to perform their job differently would likely cause a resistance to the new way of doing things. An employee may understand that change is needed but may be emotionally unable to make the transition and resist for reasons they may not consciously understand.

Folger and Skarlicki (1995) investigated resistance to change as a response to the treatment employees receive in the change process. Specifically, they focus on resentment associated with resistance and suggest that employee reactions are associated with disgruntled employees and their perceived unfairness of the change.
Morgan (1997) suggested that an understanding of the theory of transitional phenomena would provide valuable insight into organizational change, and why it might be met with employee resistance. This theory suggested that change will occur only when people are prepared to give up what is important to them.

3. Objectives

1. To evaluate the employee's resistance to the change in TSRTC.
2. To study the relationship between employee resistance and organizational communication towards the changes in TSRTC.
3. To know the relationship between Employee resistance and Employee Acceptance towards the Changes in TSRTC.

4. Hypothesis

H01: Employees do not differ about their resistance to change according to demographical variables.

H02: There is no significant correlation between employee resistance and Organisational communication towards the change.

H03: There is no significant correlation between Employee resistance and Employee Acceptance towards the Change.

5. Scope of the study

The Present study covers emphasis on Employee resistances during the change process of Telangana State Road Transport Corporation (TSRTC). This study would make the management to understand how employee resistance is impacting the employee's demographic factors and communication process to facilitate the change.

6. Profile of the study: Telangana State Road Transport Corporation (TSRTC):

Andhra Pradesh State Road Transport Corporation (APSRTC) is the largest road passenger transport undertaking in India. It was started in the year 1932 as an adjunct to the Nizam State Railways with 27 buses of 19 seaters Alboin Make (England) and 166 employees. It was later transformed as Andhra Pradesh State Road Transport Corporation on 11-01-1958 under Road Transport Corporation's (Central) Act, 1950 of India which entitles the organization for capital contributions from both the State and Central Governments to facilitate the availability of capital for expansion and growth of the organization. 95% of the bus routes have been nationalized except for a few town services and inter-state services. Consequent upon bifurcation of Andhra Pradesh state into Telangana and residual Andhra Pradesh, APSRTC operated as a separate entity from 03.06.2015. The Government of Telangana has subsequently established Telangana State Road Transport Corporation (TSRTC), on 27.04.2016, under the Road Transport Corporation Act, 1950.

7. Research methodology

The nature of the present study was descriptive and non-random sampling technique convenient sampling method was used for selecting a sample from the population. The sample size for the study was 637. The sources of data to conduct the study were primary and secondary data. The primary source for the data collection was well-structured questionnaire designed as eight factors with 5 point rating (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree)Likert scale of closed-ended type and was tested reliability by a conducted pilot study on 60 employees and seven factors found to be highly measurable. SPSS was used to analyze the data.

8. Data analysis and interpretation

Cronbach's Alpha Test:

Table.1 Reliability Statistics

Cronbach's Alpha	N of Items
0.870	**7**

Source: Author's Compilation

The reliability test for Questionnaire shows a **Cronbach's alpha value of 0.870** which reveals Good reliability rating of the questionnaire.

Descriptive Statistics:

Table.2 Descriptive Statistics of Demographical variables

	Gender		Age				Education				Job Level			Experience		
	Male	Female	Below 31 Years	31-40 Years	41-50 Years	Above 50 years	SSC	Inter/ Diploma	Degree	Post Graduate	Top Level	Middle Level	Lower Level	<16 Years	16-30 Years	>30 Years
Frequency	518	119	100	243	235	59	276	151	119	91	43	113	481	324	269	44

Perce ntage	81. 3	18. 7	15. 7	38. 1	36. 9	9.3	43. 3	23.7	18. 7	14. 3	6.8	17.7	75. 5	50. 9	42. 2	6. 9

Source: Author's Compilation

The above Descriptive statistics show the frequencies of the respondent with their demographics that are gender, age, education, job level, and experience. The high-frequency difference is observed in the case of gender for the sample taken for the study. For a reason, that of the size of male employees is greater than the size of female employees in the total population.

H01: There is no significant difference between the change resistance and demographical variables like gender, age, education, designation level, the experience of TSRTC.

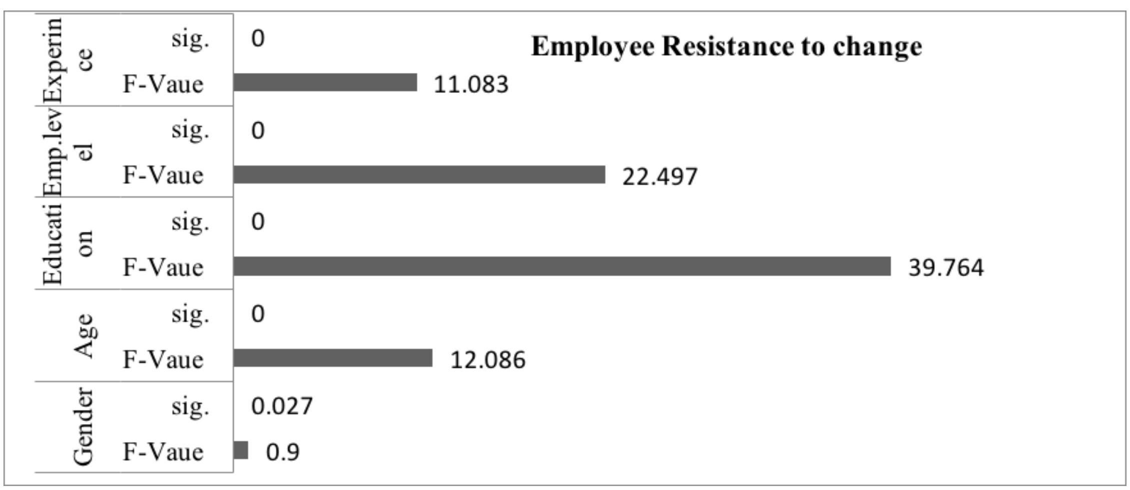
The below table represents the F-value and Sig. Values of the Demographic factors about Employee resistance level to change.

Table.3 Employee Resistance to Change

Demographical factors		**F-value**	**Sig.**
Gender		0.900	0.027
Age	Between Groups	12.086	0.000
Education	Between Groups	39.764	0.000
Designation Level	Between Groups	22.497	0.000
Experience			
	Between Groups	11.083	0.000

Source: Author's Compilation

Chart.1 Employee Resistances to Change



Source: Author's Compilation

The above table shows the *F*-values and along with respective calculate *p*-values (sign.). It notifies about the difference in employee change resistance level across the various demographical variables of employees like Age, Gender, Education, Designation level and Experience. F-test revealed that there is a significant difference across the Age, Education, and Experience of an employee with regarding their resistance level about change. On the other hand, in case of gender variable, there is a significant difference for employee's resistance to change.

Hence, calculated *p*-values (sign.) are less than 0.05. Therefore the null hypothesis (H03) is rejected, and alternative hypothesis is accepted

There is a significant difference between the Employee Resistance to Change across the demographical variables like gender, age, education, designation level, experience of TSRTC

H02: There is no significant correlation between employee resistance and Organisational communication towards the change.

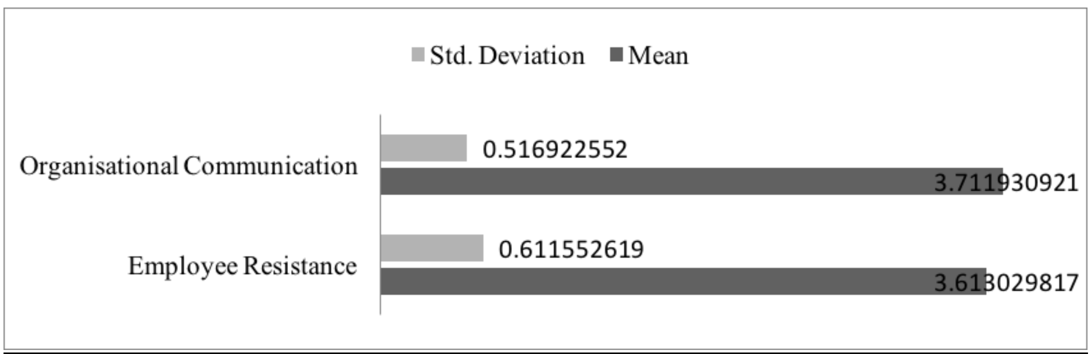
The significant relation between employee resistance and organisational communication to change is testing by using Pearson correlation method.

Table.4 Descriptive Statistics

	Mean	**Std. Deviation**	**N**
Employee Resistance	3.613029817	.6115526190	637
Organisational Communication	3.711930921	.5169225519	637

Source: Author's Compilation

Chart.2 Descriptive statistics



Source: Author's Compilation

The above table indicates the descriptive statistics of employee resistance and organisational communication to change. It is observed that mean and standard deviation of both dependent variables are close to each other.

Table.5 Correlations

		Employee Resistance	**Organisational Communication**
Employee Resistance	Pearson Correlation	1	-.448**
	Sig. (2-tailed)		.000
	N	637	637
Organisational	Pearson Correlation	-.448**	1

Communication	Sig. (2-tailed)	.000	
	N	**637**	**637**

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

Source: Author's Compilation

The above table indicates the Pearson correlation between the Employee resistance and organisational communication to change. It was observed that there is a negative correlation (r = -0.448) between both the variables. It means employee resistance and Organisational Communication to change was inversely proportional to one to another, i.e., if organisational communication increases then employee resistance to change will be decreased. The sig. Value (P=0.000) is less than 0.05; it can conclude that there is significant negative correlation exist between Organisational Communication and employee resistance to change. Hence, the null hypothesis is rejected, and alternative hypothesis accepted.

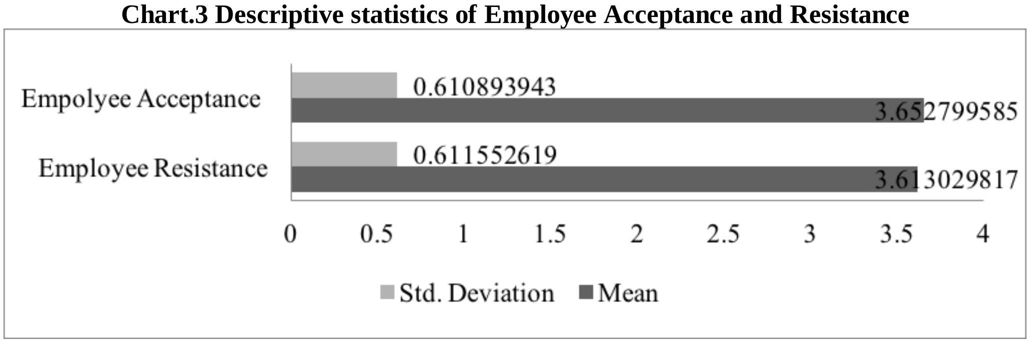
H03: There is no significant relationship between Employee resistance and Employee Acceptance towards the Changes in TSRTC.
The significant relation between employee resistance and employee acceptance to change is testing by using Pearson correlation method.

Table.6 Descriptive Statistics

	Mean	**Std. Deviation**	**N**
Employee Resistance	3.613029817	.6115526190	637
Employee Acceptance	3.652799585	.6108939434	637

Source: Author's Compilation

Chart.3 Descriptive statistics of Employee Acceptance and Resistance



Source: Author's Compilation

The above table indicates the descriptive statistics of employee resistance and employee acceptance to change. It is observed that mean and standard deviation of the both dependent variables are close to each other.

Table.7 Correlations

		Employee Resistance	**Employee Acceptance**
Employee Resistance	Pearson Correlation	1	-.738**
	Sig. (2-tailed)		**.000**
	N	637	637
Employee Acceptance	Pearson Correlation	-.738**	1
	Sig. (2-tailed)	**.000**	

	N	637	637

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

Source: Author's Compilation

The above table indicates the Pearson correlation between the Employee resistance and employee change acceptance. It was observed that there is a negative correlation (r = -0.738) between both the variables. It means employee resistance and acceptance to change were inversely proportional to one to another, i.e., if employee resistance increases then employee acceptance to change will decrease vice-versa if employee resistance decreases the employee acceptance to change will be increased. The sig. Value (P=0.000) is less than 0.05; it can conclude that there is significant negative correlation exist between employee acceptance and employee resistance to change. Hence, the null hypothesis is rejected, and alternative hypothesis accepted.

There is a significant relationship between Employee resistance and Employee Acceptance towards the Changes in TSRTC

9. Findings

H01: It is revealed that there is a significant difference in the Age, Education, and Experience of an employee with regarding their resistance level about change. On the other hand, in case of gender variable, there is no significant difference for employee's resistance to change.

H02: It is observed that there is a negative correlation (r = -0.448) between both the variables. It means employee resistance and Organisational Communication to change were inversely proportional to one to another, i.e., if organisational communication increases then employee resistance to change will be decreased.

H03: It is observed that there is a negative correlation (r = -0.738) between both the variables. It means employee resistance and acceptance to change were inversely proportional to one to another, i.e., if employee resistance increases then employee acceptance to change will decrease vice versa if employee resistance decreases the employee acceptance to change will be increased.

10. Conclusion

It is concluded that employee resistance during change was demographically different (i.e., difference in age, education, experience, and job level groups) except gender group (i.e., there is no difference between male and female employee resistance). Employee resistance to change negatively correlated with organisational communication and employee change acceptance in Telangana State Road Transport Corporation (TSRTC).

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