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Implementing Forensic Management in Large Scale Business Organisations

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Abstract- Large scale business organisations play a prior role in human and national development in any nation of the world. In contemporary times, this role seems not to be achieved due to internal problems of fraud, financial mismanagement, embezzlement and other crimes in management rising in these large scale business organisations. It is in consonance with the forgoing fact that this paper sought the implementation of forensic management in large scale business organisation. Forensic management is a manage-ment framework that integrates investigation approach into financial, material and human irregularities in the form of crime along side with the process of managing a particular business, establishment or organization with the aim of surfacing such irregularities, minimizing operational cost and to increase performance on the aggregate. The study begins with a brief introduction on the origin of forensic management; meaning of large scale business organisation; the framework/concept of forensic management; benefits of forensic management; phases of implementing forensic management in a business organisation; evaluating forensic management: cost and efficiency model; and strategies for effective forensic management in the large scale business organisation.

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Implementing Forensic Management in Large Scale Business Organisations

Kingsley Akarowhe

Abstract- Large scale business organisations play a prior role in human and national development in any nation of the world. In contemporary times, this role seems not to be achieved due to internal problems of fraud, financial mismanagement, embezzlement and other crimes in management rising in these large scale business organisations. It is in consonance with the forgoing fact that this paper sought the implementation of forensic management in large scale business organisation. Forensic management is a management framework that integrates investigation approach into financial, material and human irregularities in the form of crime along side with the process of managing a particular business, establishment or organization with the aim of surfacing such irregularities, minimizing operational cost and to increase performance on the aggregate. The study begins with a brief introduction on the origin of forensic management; meaning of large scale business organisation; the framework/concept of forensic management; benefits of forensic management; phases of implementing forensic management in a business organisation; evaluating forensic management: cost and efficiency model; and strategies for effective forensic management in the large scale business organisation. It was recommended that in large scale business organization, information communication technology (ICT) facilities such as computers among others should be adopted which will assist in recording business inventories, transactions and other activities that will aid effective forensic management in tracking cases of crime in large scale business organization.

Keywords: forensic management; large scale business organization; implementing; forensic; management.

I. Introduction

The framework or concept of forensic management was introduced by Akarowhe Kinglsey in management in his publication titled 'Need for Forensic Management in the Business Sector of Developing Countries: Benefits and Strategies' in Annals of Social Sciences and Management Studies, volume one number one in March 2018. His emphasis was on the business sector of developing countries of the world with the aim of increasing aggregate productivity in the sector and contribution to national development. The tenet of the framework/concept was based on the need to investigate into crime, unprofessionalism, unethical practices along with managing a particular business. A uniqueness of forensic management lies on the fact that it comprises of all staffs in the hierarchy of management- this is a keen factor that distinguished it among other factors. In same similitude, forensic management integrates investigation approach to crime and other business irregularities along side with managing in a particular business, establishment or organization with the aim of minimizing operational cost and to increase performance on the aggregate. The need for the framework was based on the fact that most business incurred high financial burden in hiring experts to investigate into fraudulent activities in their businesses. This present study on implementation of forensic management in large scale business organisation, the author formulated Cost and Efficiency Model (CEM) also called Efficiency and Cost Model (ECM) in evaluating forensic management. The model appraises or estimates the cost of embarking/running a given project and programme; and the level of efficiency achieved. Additionally, the model is estimated by using cost and efficiency indicators.

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II. Meaning of Large Scale Business Organisation

The meaning of large scale business organization is divergent in nature to different institutions and professional business and management practitioners. Despite, the divergent nature, its meaning revolves round numbers of employees, net-worth, assets possessed, ownership, revenue, and goals of the organization. According to [1] time, country and general economic condition are key factors to be considered. According to [8] a large enterprise is an enterprise that: has at least 5000 employees; has an annual turnover greater than 1.5 billion euros and a balance sheet total of more than 2 billion euros. Large-scale business organizations are enterprises with fixed assets exceeding ten million naira (₦10, 000,000.00) [1]. Additionally, [1] noted that, in term of size of employment, a large-scale business organization is an enterprise with employees of more than three hundred (300). According to [9], large-scale business organization is an enterprise that has a full-time labour force of more than 100 people and a total cost and working capital, less cost of land, of more than two hundred million naira.

Large scale business organization are firms and industries that are capable of producing a large units of a particular goods or services with less cost, due to their

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high level of technical efficiency. Similarly, they are less venerable to economic or business shock; and have a high rate of turnover as compare to medium/small business organization. They intensify efforts in community driven programmes through provision of social amenities, securities, welfare services and among other development strive to their host communities. Large scale business organization has high level of managerial and administrative personnel to man its activities; this has been often felt in high level of productivity experience. In developed countries of the world, large scale business organization has a larger role in employing a wider percentage of labour within the working population; while in developing and less developed countries it seems to be third largest employer of labour within the working population after agriculture and small/medium scale businesses.

III. The Framework/Concept of Forensic Management

The framework/concept of forensic management can be understood by explaining forensic and management separately. The term management is commonly used in the private sector of an economy, as to compare public (government) sector. According to [7], management means to forecast, to plan, to organize, to command, to coordinate and control activities of other. Management is the effective utilization of resources (human and material) for the purpose of achieving a predetermined/pre-planned goals and objectives. In same similitude management entails any activity that is directed towards the efficient and effective use of limited scare resource at a given point in time. On the other hand, forensic is a scientific enquiry into crime related issues. Forensic relates to or denotes the application of scientific methods and techniques to the investigation of crime [6]. It is a systemic investigation into unethical, unprofessional misconduct, embezzlement and financial related issues facing an organisation, or entity. Forensic is a forecasted, pre-planned, coordinated, and purposeful enquiry into fraud or other crime induce issues with the aim of surfacing it for improve productivity on the aggregate in an organisation or a nation. According to [4] forensic is related to scientific methods of solving crimes, involving examining the objects or substance that is involved in the crime.

Forensic management is a management framework that integrates investigation approach into financial, material and human irregularities in the form of crime along side with the process of managing a particular business, establishment or organization with the aim of surfacing such irregularities, minimizing operational cost and to increase performance on the aggregate. According to [3] forensic management is the act, process and science of formulating policies, organizing resources (human and material), planning the success of an organization, controlling the resources and directing the resources of the organization, with the purpose of surfacing/preventing crime and other fraud related issues so as to increase aggregate productivity in the organization. Forensic management is the application of management skills in the detection of misappropriation, mismanagement, embezzlement of fund and other criminal activities within a given organization [3]. Forensic management is the adoption of managerial approach to the investigation of fraud related affairs in any organizational set-up, which will in the long-run pave way for subsequent hindrance to the occurrence of mismanagement, misappropriation and other managerial/financial crime related act among staffs/personnel's of a given organization [3].

According to [3] in his study, forensic management can be done at two major levels.

1. *Individual Level:* Forensic management at individual level involves a staff/worker of a particular organization ensuring that on his/her part does not involve in any fraudulent or criminal related financial misconduct while handling the day-to-day activities of an organization. The notion behind individualized forensic management is that, an employee is employ for a given task of ensuring effective/efficient actualization of a given set goal in an organization, which must be free from fraud related issues from the employee.
2. *Collective Level:* Collective level simply means a cooperative effort of every staffs in a given organization directing their effort in order to achieve criminal and fraud free activities in the organization. This often consists of a collective effort of top, middle, bottom managers and subordinate staffs in running an organization with high level of managerial decency of no fraud.

IV. Benefits of Forensic Management in Large Scale Business Organisation

The benefit or goals of forensic management in large scale business organization are lantern for effective/efficient management and organisational productivity in the long-run. The benefits of forensic management were adopted from the study of [3], they were.

1. *Detection of Fraud:* According to [5], fraud is an intentional misrepresentation of financial information by one or more individuals among management, employees or third parties. Fraud involves the use of criminal deception to obtain an unjust or illegal advantage. One pertinent role of forensic management in an organization is the detection of fraud. In the [/an] business sector [/organisation] forensic management assist in the detection of fraud and other crime related activities in each individualized businesses in the sector

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[/organisation]. This is done through managers of these individualized business organization applying forensic skills and competencies in their day-to-day handling of activities which on the aggregate will pave way for effective and thorough investigation or enquiry into fraud related issues.

2. *Managerial Efficiency:* Efficiency in carrying out a given task is a catalyst for improve productivity in an organization. Forensic management enhances efficiency in the business sector [/organisation]. This is due to the fact that top, middle and low level managers in their bit tend to rid-off the activities of mismanagement and embezzlement of fund in the businesses which they manager. In same similitude, unnecessary bedeviling practices among top management staff to subordinate management staffs in the business sector [/organisation] is remove. This will on the aggregate enhances efficiency in the [/an] business sector [/organisation].
3. *Bridge Communication Gaps:* In any organization, communication is an efficient channel of achieving the goals and objectives of the organization. In light of this, in any business organization or enterprise, effective communication is a pivotal for the attainment of a particular set goals which the business sought to achieve. Communications gap may be as a result of contract dispute in an organization or more pertinent in organizations were fraud seemed to be at the hems of affair among staffs. In other words, it is due to staffs of a particular business indulgence in criminal acts within a given business organization.
4. *Effective and Strong Internal Control*: For a given sector of a nation to thrive, it must have a strong internal control. Strong internal control assists to solidify and centralised a given organisation. Forensic management is geared toward a solidified internal control. This strong internal control is achieved through collaborative effort from sub-ordinate staffs with the aim of achieving purposeful forensic management. In other words, forensic management tends to make every unit [department] in a given business organisation to be united managerially.
5. *Avoiding of Legal Action:* In every field of human endeavour and organisation, avoidance of legal action is always very pertinent. This is due to the fact legal action may retard the growth and development of an organisation. Legal action may involve debt related issues, business asset issues among other. Forensic management is often beneficial due to the role of avoidance of unforeseen or assist a particular business establishment in a legal action. This is as a result of the fact that forensic management tends to take a proactive and meticulous investigation into an organisation and similarly managing the organisation [with the aim of surfacing crime that will have lead to legal action against the orgainsation]. Sequence to this fact, the business sector [/organisation] will be to a greater level free from unforeseen legal action.
6. *Good Reputation:* Good reputation of any organisation is an incentizing factor for investor to make transaction with such organisation. This is due to the fact that no investor will want to invest or enter into any financial transaction with organisation that does not have good reputation. Forensic management assist in raising the reputation of individualized businesses which on the aggregate will raise the reputation of the sector [/organisation]. This will help internationals organisation in rating the high country in which forensic management is practice due to it lantern good reputation that is felt.

V. Phases of Implementing Forensic Management in a Business Organisation

The phases of implementing forensic management in an organization is of prior important for the attainment of a purposeful and successful forensic management for enhance aggregate performance in an organization. *It is pertinent to note that the entire phase of implementing forensic management from the planning, analysis, and action requires partnership with an expert (who is competent in forensic and in the field of management).* The phases for a successful implementing of forensic management in any business organization are as follows

1. *Planning Phase:* The planning phase involves a deliberate effort by management staff of an organization to pace-set an organization for a higher productive standard. It is an inevitable mechanism for an effective and prosperous business organization. It is expected in the planning process that every staff/worker in a particular organization input his/her opinion/view without any biases of level, giving the fact that every staff have to be involved for forensic management to be successfully achieved. According to [2] in the planning phase the customer's needs and expectations identified. Planning phase of forensic management involves all the management staff (top, middle, and low level) conglomerating together for the purpose of making a valid/reliable forecast on how forensic management can be effectively achieved, this process is usually documented. The planning process considers the resource (human and materials) in the organization; the human facet of the planning process takes into cognizance the trustworthiness, ability, competencies, and skill of staffs who are to monitor, supervise the entire

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forensic management; and cooperation from other staffs while the material facet considers the establishment of department, positioning of staffs, and anticipated reduction in the operational cost. According to [2] success factors are taking into consideration in the planning phase.

2. *Analysis Phases:* The analysis phase entails detailing the forensic management process in an elaborated sequence for easy understanding and implementation. The analysis phase is manned by top, middle management staff with less contributing from low management staff, due to the experience and level of competencies required in this phase. In analysis phase, the analyzers often consider recruitment, placement, cost and efficiency in operation, and trustworthiness as keen. This is due to the fact that effective forensic management framework require placing staffs in a position that will assist in the defined purpose of investigation into fraudulent and surfacing them so as to improve organizational capacity. In analysis the possibility of attaining a comprehensive and successful forensic management tends to be the priority or issue of concern. It considers the reduction in operational cost that would have been used to hire experts in surfacing fraudulent and criminal related activities regularly in the organization.
3. *Action Phase:* Action phase involves brings to bear what has been preplanned and analyzed. In this phase human and material resources are combined for a successful forensic management process in an organization. In action phases all level of management staffs ranging from top, middle and low level management staffs are dispatched to different departments/units in an organization for a purposeful forensic management. Similarly, a forensic management department and units is inaugurated in the organization that will seek to assist in fast-tracking inventories within an organization. Such department and units are manned by specific staffs, while little assistance is require from other staffs in the organization through their dedication to the forensic management process. In other words other management staffs submit their daily inventories and records of activities to the department and units.
4. *Monitory/Supervision Phase:* The monitory/supervision phase helps in the overseeing the entire forensic management process in an organization with the aim of improves its entirety. Such process takes into account compliance of management staffs, inventories processing, level of performance and effectiveness/n efficiency in operational module of the organization. In the monitory and supervision process needs are assessed, opinions and views of staffs pertaining to forensic management are assessed, and cost of running forensic management is estimated. It is expedient, to note that the monitory/supervision process requires a collaborative effort of every staffs with the organization. The keen interest of monitory and supervision phase is subsequent planning, so as to enhance the forensic management process which on the long-run will lead to productivity of the organization.

VI. Evaluating Forensic Management: Cost and Efficiency Model

To evaluate forensic management the author proposed Cost-and-Efficiency-Model (CEM) or Efficiency-and-Cost-Model (ECM). Cost-and-Efficiency-Model (CEM) or Efficiency-and-Cost-Model (ECM) is use to determine the cost of embarking on a particular project and the resultant level of efficiency to be attain in the process. The efficiency and cost model is use to assess the extent to which adoption of forensic management in an organization yielded desirable benefits/goals and productivity of the business within a period under review. The cost facet considers the extent to the reduction of cost of management of an organization; while the efficiency facet considers the capability/capacity of staffs of an organization to discharge their duties for increase organisational productivity. The model considers cost and efficiency indicators such as level of job performance by staffs, level commitment to job, resource management level, extent of hired expert for forensic, management cost, profitability index, level of apprehended cases of crime, and level of legal issues among others.

VII. Reasons for Implementing Forensic Management in Large Scale Business Organisation

The most pertinent reason for implementing forensic management is that it integrates investigation management style for the purpose of surfacing business irregularities of fraud, mismanagement, misappropriation, financial crimes among other which seems to impede organization productivity. In other words, implementation of forensic management helps in reducing operational cost and also heightens the level of management effectiveness/efficiency which is the hub for organizational productivity. Other reasons are far-fetched in the benefits of forensic management as earlier discussed.

VIII. Potential Limitations to the Implementation of Forensic Management

The potential limitations to the implementation of forensic management concept/framework are expressed thus.

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1. *Lack of Sufficient Expertise:* In any organization, implementing a particular policy or adopting a given management strategy require adequate expertise in the field for it to be successfully carried out. In light of this, implementing forensic management in large scale business organization in developed, developing, and less developed countries is anticipated to face little challenge of lack of expertise who are aware of the forensic management framework. But notwithstanding, in as much the forensic management has similarly bearing with previous management style/framework, this limitation will be reduce to the barest minimum.

IX. Strategies for Effective Forensic Management in the Large Scale Business Organisation

The following are strategies for effective forensic management to be achieved in large scale business organisation. Strategies such as proper remuneration of employees and education were adopted from [4] study.

1. *Proper Remuneration of Employees:* Proper remuneration of employees is an avenue of intimacy for employees to key into a particular vision of an organization without any barrier on their part. In other words, proper remuneration of employees is an incentizing factor that assists them to perform their jobs efficiently/effectively and similarly, to be determined to key into any goals which a given employer of labour is set to achieve. Forensic management is achieved to a great extent if and only if the workers/staffs are given their salaries and other accrued benefits as at when due, this will energized them to shun any fraudulent activities within the business organization they are working. Similarly, it will help them not to indulge in any crime related activities of falsification of documents, misappropriation of organizational funds, mismanagement of resources, and embezzlement of funds among other.
2. *Education:* Education is a catalyst for achieving a particular goals and objectives in a given organization. In a business sector, education involves awareness platform to enlighten staffs of a particular organization or to inculcate certain desirable skills and competencies on them that would assist them to improve on the level of their job performance on the aggregate. For forensic management to be achieved its lantern benefits in the business sector [/organisation] of developing countries, there is need for business practitioners and staffs of an organization to be educated on the procedures, rudiments, and ways forensic management works. This will assist staffs in contributing their needed quota in achieving the set purpose for which the forensic management is designed. Similarly, education makes use of awareness programmes, workshops, symposia, seminars, field trips and training among others. Awareness programmes such as workshop and symposia involves one form of exhibitions by experts or an expert teaching/lecturing the management staffs and subordinate staffs on the modus operandi of forensic management; while field trips involves visiting a given business organization within the sector that are performing productively well with forensic management; similarly, training involves equipping staffs of a given business organization with the needed disposition on how to effectively utilize forensic management process to achieve a set business goal(s). In light of this, [10] submitted that training and guidance is vital in maintaining the effectiveness of the strategy for the detection and prevention of fraud, corruption and its general credibility.
3. *Establishment Forensic Management Department:* In any organization or establishment, for forensic management to achieve its prior goals and benefits a forensic management department must be established. Forensic management department is the sub-hub for effective actualization of forensic management. Forensic management department comprises of personnel unit, investigation/enquiry unit, assessment/analysis unit, and execution unit. The personnel unit comprises of different staffs in the hierarchy level of management in a particular organization, which is usually from top managers to subordinate staffs, their function is to ensure the success of the forensic management system. It is pertinent to note that the forensic management department has their personnel represent in each of the department and units within an organization. The investigation unit is charged with the responsible of making enquiry or detection of misappropriation case or other form of financial crimes within the organization; the analysis unit is responsible for assessing cases and the extent to which a particular activity is fraud related; the execution unit is vested with the power to disciplining erring staffs found guilty of any fraudulent or financial crime activity within a given organization [3]. This department will assist in ensuring that the recruitment, promotion, appraisal, and wages/salaries allocation to staffs is free from all forms of irregularities induced by fraudulent, financial mismanagement and other form of crimes.
4. *Partnership and Collaboration:* According to [3] partnership and collaboration is a network that helps in the actualization of common goals and objectives in any organization, due to the fact that, it helps to assist each of the parties that are involved. Partnership and collaboration are effective channels which ideas can be share (ideas, knowledge, and

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skills) among individual businesses in the sector [3]. In any business set-up partnership and collaboration among staffs will help in the actualization of the benefits of forensic management. This is due to the fact that forensic management process requires every staff within a given business organistion to contribute his/her quota in the process of investigation/enquire, assessment, and recording of inventories within the interest of the organisation. Partnership/ collaboration can be internal and external; internal partnership requires all staffs of a given organization cooperating in terms of information and resource sharing for the purpose of a productivity forensic management; and external partnership requires private individuals, investors, government and other non-governmental organization giving their needed support as at when needed to enhance the achievement of a successful organizational goals.

X. Conclusions and Recommendations

Forensic management plays a pertinent role in a particular oraginsation if adopted. In contemporary business settings, large scale business organizations want to be managed with less cost and with high level of managerial efficiency that is devoid of fraud and financial mismanagement for increase productivity on the aggregate, this can be achieved by implementing forensic management in a particular large scale business organization. In other words, large scale business organization, implementing forensic management will pave way for reduction in cost of business operations, surfacing and reducing illegal, and fraudulent activities. It was recommended that.

1. In large scale business organization, information communication technology (ICT) facilities such as computers among others should be adopted. This will assist in recording business inventories, transactions and other activities at easy for effective forensic management process and investigation so as to fast track cases of crime in the organization.
2. Constant evaluation, monitory/supervision of forensic management processes should be done for onward planning in these large scale business organizations which will help to improve organizational productivity.

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