

**ASSESSING THE UTILIZATION OF COMPANY CREDIT CARDS BY
EMPLOYEES AS A METHOD TO FACILITATE BUSINESS
OPERATIONS AT MOVING EARTH MACHINES (PTY) LTD**

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Abstract

Organisations in South Africa compete in a fierce environment, on a local and global platform to attract and retain potential and current customers. This competition is not only related to providing unparalleled services, gaining market share or developing a niche product but also comprises of business related activities that may involve the entertainment of customers, travelling locally and abroad for business and having a means to facilitate ad-hoc company expenses as and when they occur.

Corporate credit cards are currently utilised by various industries to cover business related expenses such as entertaining current and potential customers, managing travelling expenses and allowing employees to be prepared for any unexpected expenses. The dissertation aims to establish how the utilisation of corporate credit cards by employees, can be utilised as a method to facilitate business operations.

The corporate credit cards may expose an organisation to a significant risk, therefore the environment in which the corporate credit card is utilised, has to have as many controls as possible to eliminate any further risk exposure. The objective of the research is to assess the impact of corporate credit cards on the operational aspects of an organisation and to identify methods to monitor and control the usage of corporate credit cards in an organisation.

In exploring the relationship between business operations and corporate credit cards in the research project, various approaches were used. The research adopted an exploratory research approach in the pilot study phase and an explanatory research approach, to explain the link between the research conducted in the literature review and the data gathered from the questionnaires.

The research strategy chosen for the study comprised of a quantitative method due to its versatility in analysing the data from questionnaires distributed to corporate credit card

holders. The data from the research instruments was statistically analysed using tables, graphs and figures to determine the impact of corporate credit cards on the business operations of a company.

The study revealed that corporate credit cards in an organisation can comprise of many components which have a direct impact on the business operations of an organisation, such as spending incurred by employees with corporate credit cards having an impact on the profitability of a company, through a high frequency of credit card spending. The study also revealed that majority of the respondents from the primary research were aware of the company credit card policies, however, the control measures were sometimes insufficient to prevent fraudulent corporate credit card spending. The findings from the research also revealed the majority of employees were of the view that corporate credit cards assisted them in achieving the company's strategic goals.

The results from the findings indicated deviations from the company policy regarding corporate credit card spending thereby necessitating the need for corporate credit card policies being clear and accessible to all employees. Organisations need to implement procedures to eliminate any challenges in employees accessing policies that will benefit the company. Management should also review and approve corporate credit card expense claims on a regular basis to ensure compliance with company policies. Further, organisations need to strive to adopt a strict approval process in order to fully substantiate the need for an employee to be in possession of a corporate credit card.

Introduction

In the commerce world, organisations incur costs to produce and sell their products and services, according to Wells (2011:2). As a result, some of these costs will be incurred by employees of an organisation, in order to gain or retain customers of their products and services. The journalist Edward Bellamy envisioned a utopian world in 1888 where there were no coins, notes or currency circulated that could have sparked the original idea for a credit card, which first emerged in the United States with the credit company Western Union, offering the first real credit card in 1914, according to Macdonald and Gastmann (2004:228). As the world economy developed, shaped by technology, communication and transport, the credit card also developed to a globally linked system.

Developments in the global economy have altered the balance between the customer and supplier as new communications, computing technology and the establishment of open global trading systems, resulted in customers having more choices and supply alternatives which are more transparent. According to Reece (2012:1), businesses therefore need to be more customer-centric. Corporate credit cards can be viewed as a mechanism in achieving the company's strategic goals though spending on customer needs and other business related expenses.

As organisations develop and begin to compete in the global cashless society, they are exposed to fraud, which also evolves into more sophisticated forms, according to Parabowo (2010: 1). In recent years, credit card fraud has been one of the most sophisticated crimes in the world and from a business point of view; many companies have seen this crime as a cost which reduces profitability (Parabowo, 2010:1). The corporate credit card system in an organisation should therefore be designed to ensure maximum operational efficiency.

This study assesses the utilisation of company credit cards by employees in the organisation Moving Earth Machines (Pty) Ltd, as a method to facilitate business operations. This chapter provides the background, discusses the problem statement and states the aim as well as the research questions for the study. The significance and the format of the study are also discussed.

Fernandez and Saunders (2011:03). Employees using corporate credit card for business purposes can provide a clear view of operating expenses and monitor these expenses for tax and accounting purposes.

Corporations are attracted by both the benefits of issuing secure business credit cards for selected employees and the corporate credit cards are more of a necessity, providing people with the opportunity of making business transactions with more ease (Massoud et al., 2011:03).

The utilisation of company credit cards by employees can have a significant impact on the business operations of an organisation, therefore this study has been undertaken to assess the above statement in an organisation utilising company credit cards.

LITERATURE REVIEW

Establishing the Eligibility of Employees Entitled for Company Credit Cards by an Organisation

According to Massoud et al., (2011:4) a company credit card is in many cases, the most convenient method to facilitate ad hoc business expenses can provide a reliable method of tracking spending and enables you to separate business from personal finances.

Personal credit cards have an application process due to assessing the viability and risk associated with providing a credit card to an individual, accordingly, companies can use this approach and have customised screening tests based on anticipated employee needs for a credit card (Leung and Lai, 2001:327). Employee entitlement to a company credit card can be based on numerous factors that will be discussed.

Employee Financial Education and Entitlement to a Corporate Credit Card

The financial illiteracy of employees is considered to be the most critical unaddressed workplace issue according to a survey conducted among human resource executives (Cambridge Human Resource Group, 1995:1). As a representative of an organisation, an employee with a corporate credit card should display a sound knowledge of financial literacy. An employee's poor financial behaviour can result in high costs incurred by employers, such as absenteeism, reduced employee productivity, loss of customers who seek better service and loss of revenue from sales not made (Association for Financial Counseling and Planning Education, 1996:1). Weak financial behaviours are often manifested as stress, which reduces employee's productivity. In addition to reduced productivity the risk of temptation to use a corporate credit card for personal expenses could be too overwhelming to resist. An employee who displays poor management of personal financial wealth should therefore not be entitled

to a company credit card. Employers can determine if the financial education of employees is critical to the overall performance of the organisation. In critical circumstances, employers could offer financial education to assist with the situation. This can assist employees to improve financial wellness, increase loyalty and morale and increase workplace productivity (Kratzer, Brunson, Garman, Kim and Joo, 1998: 25). Employers with credit card environments can adopt a broad approach to financial education to meet the needs of a diverse workforce.

Every company needs a business plan, set of objectives or goals and a means of attaining those goals. Competition for consumers is rife amongst industries both globally and locally and trend has witnessed intense rivalry amongst companies to constantly outperform each other, (Bennis and Gibson, 1998:8). Corporate credit cards can be viewed as a mechanism for employees involved in customer interaction to foster and maintain relationships with customers through entertaining and catering to customer needs in order to secure their business. The prospect of choosing an ideal supplier is enhanced when the customer is treated with the highest service levels when negotiating the deal as this provides an indication of what the customer can come to expect in a long term customer-supplier relationship (Bennis and Gibson, 1998:9).

A corporate credit card can expose an organisation to significant risk. The entrusted employee therefore, has to be of a suitable candidate in order to receive a card (Parabowo, 2010:371). However, there lies no clear distinction as to what a suitable candidate entails but by applying the findings of behavioural theorists as discussed below, one may be able to gain a clearer understanding.

Importance of Understanding Human Behaviour in the Workplace

Employees need to be motivated to be successful at their jobs and not merely perform tasks that are imposed upon them in the workplace. Cole (2000:90) discusses the application of behaviour theorists and has provided the basis of modern psychology that can be related to the employees in organisations. It is therefore important to gain an understanding of one's capacity in the work environment and the behaviour that shapes the approach to an employee's dealings in the workplace.

Hodgetts and Hegar (2007:51) discuss those theorists such as Abraham Maslow argues that the psychological analysis of human behaviour is required within organisations. Managers of organisations work around the style that theoretically defines human behaviour in the workplace to fully understand the thought processes of their employees, thus ensuring the success of the organisation (Hodgetts and Hegar, 2007:51). It is vastly important to understand the trends in human behaviour in the workplace as this understanding is not just to justify economic pursuits of a company but to develop a culture in the organisation that continuously seeks growth (Hodgetts and Hegar, 2007:5).

The following behaviour theories can be further discussed to gain an understanding of workplace behaviour:

- **Self-efficacy**
Self-efficacy lies at the center of psychologist Albert Bandura's social cognitive theory as discussed by Poell and Van Woerkom (2011:37). Bandura's theory

emphasises the role of observational learning, social experience, and reciprocal determinism in the development of personality.

Poell and Van Woerkom (2011:37) further discuss that a person's attitudes, abilities and cognitive skills comprise what is known as the self-system. This system plays a major role in how we perceive situations and how we behave in response to different situations. Self-efficacy plays an essential part of this self-system. Employees in possession of company credit cards should have a strong self-system in order to enable them to efficiently utilise the company property. When faced with certain situations, the personality of the individual, social experience and belief system will determine the outcome of the situation. Moral dilemmas would be handled from a responsible point of view if the person has a strong belief system and in this situation, self-efficacy is thought to be predictive of the amount of effort an individual will expend in initiating and maintaining a discipline of not using company funds for personal expenses (Poell and Van Woerkom, 2011:37). It, can be therefore viewed that this behaviour would be ideal for an individual to be entitled to a credit card.

- Learning theories of change
Aquinas (2009:135) discusses that complex behaviour is learned gradually through the modification of simpler behaviours. In the larger organisations imitation and reinforcement play important roles in these theories, which state that individuals learn by duplicating behaviours they observe in others. Many employees beginning in a new role or organisation search for a role model or mentor or someone to whom they aspire to. This is a key aspect in business operations as shaping the desired behaviour from employees according to a company's goals is required for success states Aquinas (2009:136). This can be displayed when a new employee is provided with a company credit card and is unsure of spending practices and grey areas are not discussed in the company handbook of policies and procedures. A responsible credit card user would be ideal in this scenario to mentor the new employee on best practices for card usage.
- Social learning / social cognitive theory
According to the social learning theory, which is also known as the social cognitive theory, behavioural change is determined by environmental, personal, and behavioural elements according to Aquinas (2006:136). Each factor affects each of the others. An individual may display a change in their behaviour when moving between different departments or even when starting a new job.

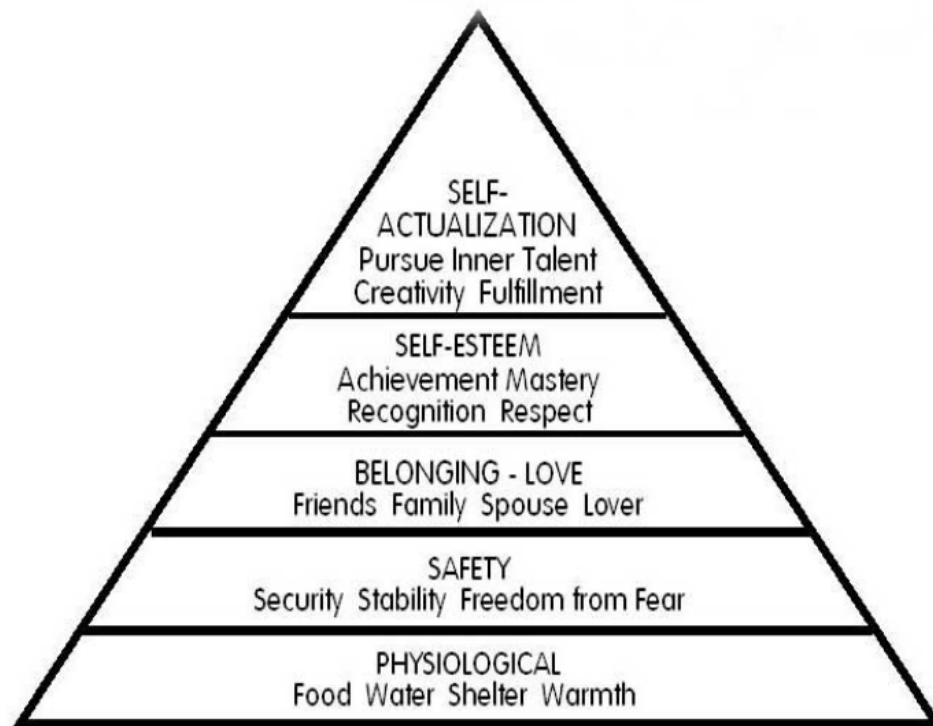
The environment an individual is exposed to, affects the development of personal characteristics as well as the person's behaviour, and an individual's behaviour may change their environment as well as the way the individual thinks or feels. If, for example the individual is placed in an organisation or a department with a strong attitude towards adhering to company policies, this would automatically create a culture of strict adherence even if the individual had previously had the tendency to not always adhere to the rules or compromising on certain grey areas in the policy. An individual's beliefs can help develop profiles of credit card users (Xiao, Noring and Anderson, 1995). Credit card holders using a larger instalment facility offered by credit card companies have displayed stronger beliefs about the negative effect that credit cards have on them personally (Mansfield and Parente, 2004:1414).

- Theory of Reasoned Action

The theory of reasoned action assumes individuals consider a particular behaviour consequence before performing the particular behaviour according to Aquinas (2006:8). This can relate to an employee considering the impact of spending unnecessarily on company credit cards or on a non business related expense. As a result, intention is an important factor in determining behaviour and behavioural change. Aquinas (2006:8) further discusses that the personal attitude and social pressure shape intention, which is essential to performance of a behaviour and consequently behavioural change. An employee who can display the ability to reasonably assess the impact of their actions or decisions regarding credit card spending would be an ideal candidate to be entrusted with a corporate credit card.

In addition to the workplace behaviour theories, further analysis into behavioural psychologists could be able to provide insight to link between psychology and employees behaviour. Abraham Maslow (1970) argued that human nature is the continuous fulfilment of inner needs, beginning with those of a basic physiological character and progressing to self-actualisation. According to Maslow (1970), self-actualisation is the highest need in a hierarchy of needs that humans strive to fulfil. He discusses that in general, people need to fulfil the needs that are lower in the hierarchy first before they can move on to fulfilling higher needs. This can be expressed with the following diagram:

Figure 1: Maslow's Hierarchy of Human Needs.



Source: Maslow (1970:5)

Employees in an organisation can be motivated to work through each of these levels. As they do so, this provides positive effects for each employee and the organisation. Maslow described that individual behaviours can lead to self-actualisation (Frager and Fadiman, 1998: 450). Assessing the levels an employee can work through, the following hierarchy levels can be examined (Anonymous, 2013:3):

- **Physiological needs**
A company can offer salaries to employees in order to obtain physiological needs such as food, shelter and warmth. This serves as a means to employees to acquire the basic needs for living (Poduska, 1992:15).
- **Safety needs**
A company can offer competitive salaries and be committed to providing a safe and healthy work environment to prevent accidents. Employees have to take responsibility for observing the health and safety rules and practices. This need includes have a secure workplace plus a feeling of security of employment, for their family, health, and property (Poduska, 1992:15).
- **Social / Belonging needs**
These needs are associated with a feeling of belonging (Poduska, 1992:15). A company can offer a company credit card with a benefits program such as rewards associated with securing new customers or spending on corporate credit card in accordance to a budget which can motivate employees to be loyal to the company.
- **Esteem Need**
This includes both self-esteem and the need to be highly regarded by others. An employee will most likely satisfy self-esteem needs through developing his or her full potential. By developing individual talents, employees become more capable of making a contribution to an organisation and therefore are more likely to achieve a sense of significance and relevance. As a consequence, such a person is more likely to experience a sense of self-worth and self-respect (Poduska, 1992:15).
- **Self- Actualisation**
Work is often perceived as a medium for self-expression for an employee (Poduska, 1992:15). The ability to earn a living through a form of self-expression is usually made possible only if employees have truly satisfied their lower needs, otherwise, their work may still be dedicated to seeking tribute, recognition, or material gain.

McClelland (1987:318) firmly believed that achievement-motivated people are generally those who get results and this extends to getting results through the organisation of other people and resources.

McClelland (1987:318) describes three types of motivational needs as:

- **The need for achievement**
The need for achievement is motivated and therefore seeks achievement, attainment of realistic but challenging goals and advancement in a career. There is a strong need for

feedback as to achievement and progress and a need for a sense of accomplishment. An employee might argue that in order to facilitate successful business transactions with clients, a corporate credit card would be a necessity.

- **Authority / power motivation**
The need for power is authority motivated. This driver produces a need to be influential, effective and to make an impact. There is also motivation and need towards increasing personal status and prestige. Credit cards can be associated with creating an impression of power and the ability to facilitate a reasonable amount of expenditure according to Heselhaus (2010:32). Employees in possession of a company credit card may portray the image to a customer that they are entrusted with a company facility to cater for an expense that may arise while entertaining in the attempt to secure the customer.
- **The need for affiliation**
The need for affiliation is motivated towards interaction with other people. The affiliation driver produces motivation and need to be liked and held in popular regard. Facilitating business deals requires positive interaction with customers and this may require spending on entertaining the customer in order to develop a strong business relationship (Heselhaus, 2010:32).

Credit card policies in an organisation

According to Tricker (2012:5), the business literature describing classical functions of boards of directors typically includes various roles such as establishing basic objectives, strategies and policies. Making business decisions involves setting guidelines and communication of these guidelines through documented company policies and procedures, to all employees in an organisation argues Tricker (2012:181). This can be used to guide employees with company credit cards as they would have to be aware of company policies associated with company credit card usage.

Importance of corporate policies

According to Tricker (2012:181), credit card policies can help make sure employee spending benefits a company. When a company allows its employees to use a credit card for business purposes, it should adopt an employee credit card usage policy. Such a policy will protect a business from the misuse of company funds and reduce the liabilities of corporate officers.

Company policies and procedures are designed to provide fairness and equity in the treatment of all employees and they also deal with such processes as expense reports, time cards, company credit cards and use of company equipment (Tricker, 2012:181). It was proposed by Richards-Gustafson (2005:1), that the following factors be considered when formulating or adapting to a credit card policy:

- **Purpose of the policy**
The purpose of an employee credit card usage policy is to set rules and guidelines regarding the use of credit cards for everyday operations. These policies should apply to employees and any other individual who has access to the company credit cards.

- **Routine Audits**
Regardless of the usage restrictions placed on an employee credit card, a company should also conduct routine audits of all account statements to detect and prevent fraud. However, an outside agency should complete the audit to prevent fraud and to hold all employees accountable.
- **Account Reconciliation**
A company should include a thorough reconciliation process in an employee credit card usage policy. The reconciliation process should include explanations for any types of flexible spending allowed by employees and identify spending not prescribed in the company policies.
- **Significance of a credit card policy**
A well-drafted and implemented corporate credit card policy helps prevent unauthorised purchases or fraudulent charges. Without a policy, employees may be more likely to use a credit card for personal use or unnecessary expenses and an employee credit card policy can also reflect the company's business practices (Richards-Gustafson, 2005:1).

As discussed by Bai and Chen (2008:270), an organisation can develop a credit card policy, displaying the relevant information to employees using credit cards in order to enhance their ethical and disciplinary education and strengthen their professional responsibility. The acceptable usage conditions of corporate credit cards will vary between organisations and the relevant approach to developing a company policy on corporate credit cards can therefore take that into consideration (Bai and Chen, 2008: 270). They further mention that organisations must highlight in a company policy that structures exists, such as the advanced internal support to reduce the risks of the company credit cards being forged by employees, an alerting system on credit card spending abuse and a funds tracing system, in order to prevent the misuse of the company credit cards. The implementation of a corporate credit card policy can establish minimum standards for card fraud prevention activities and may help to reduce offences by employees (Prabowo, 2010:282).

Organisational Control Mechanisms

Control mechanisms are important to every organisation and without them; it would be difficult to determine whether or not the planning, organising and leading functions of management are effective and productive for the company (Batra and Gautam, 2002:71). According to Batra and Gautam (2002:74), organisational control refers to an institution's ability to affect its members and direct them toward achieving overall objectives and goals.

Although some mechanisms are used widely throughout many organisations and companies, some mechanisms are tailored to fit a specific organisation. Management must determine the most appropriate control mechanisms for their company standards by which organisations operate several roles.

Renico (2011:1) discusses that in determining the control mechanisms the following should be considered:

- **Creation of Standards**
Without a clear sense of standards, members lose sight of the global goal of the organisation (Renico, 2011:1). If there are no ethical, legal or practical standards for quality of production or service, members will lose incentive to work hard, as they are unsure of their actual goals. Creating and enforcing standards will assist the entire organisation understand the overall vision. As an example, the creation of standards would be especially important if corporate credit holders in an organisation lose focus on ethical spending and trying to spend on items not prescribed within the company policy.
- **Checking Performance**
Without specific standards, there is no meaningful way to evaluate performance (Renico, 2011:1). This can range from identifying what is defined as the credit cards limit set on a company credit card and adhering to those limits to establishing prompt turnaround times for submission of credit card transactions slips for management approval. Once the standards are in place, management can measure individual and group performance to assess the progress of members.
- **Performance Comparison**
Comparison matches individual performances within a company or sector (Renico, 2011:1). By that measure, one would see if the current performance is below, on par or above the expected levels. As an example, departments managing their credit card expenditure fairly well can set an example to other departments lagging behind in this regard.
- **Form Basis for Action**
Management may deem it necessary to compare individual and group performance to the established standards in an organisation and on completion of the comparison; the information derived can help determine the next step (Renico, 2011:1). If everyone is falling short, for example, management will need to implement new strategies, either in the area of motivation and morale or in the area of training. If there are individuals that are performing well, they deserve recognition. Members who persistently fall short require individual attention and, over time, dismissal if trends do not change. This can be especially applicable to departments exceeding corporate credit cards budgeted expenditure. Careful attention would need to be provided to ensure that the expenditure is valid and meaningfully contributes to an organisations performance.

Business Management Strategies

Houston and Stonehouse (2009:1) define business management strategy as a process with a purpose to make business adapt to the environment it operates in and in doing so, the probability that it will survive and prosper are enhanced. According to George (2002:31), process improvement methodologies such as 6 Sigma and Total Quality Management are critical to ensure efficiency however, it is important to look beyond these tools to consider the people and behavioural aspects.

Six Sigma

According to Hoerl and Snee (2003: 225), Six Sigma is a business management strategy implemented to reduce variation in output for improved results. Companies use Six Sigma for greater efficiency in their services and products to boost revenue gains. The directors of an organisation can commission a Six Sigma Project on credit card management. The aim of the project could be to review allocation of credit cards and monitoring of expense approval process. Hoerl and Snee (2003:225) further discuss the key components below for Six Sigma:

- **Based on Data**
In Six Sigma, decisions are made based on empirical evidence, not just on assumptions and anecdotal evidence but includes determining the need for a project, determining the cause of the problem being addressed, and deciding what improvements will be made (Hoerl and Snee, 2003:227). In all these cases, data is required for decision making. The background of a problem scenario could be that a company is experiencing challenges with management of corporate credit cards. The allocation of corporate credit cards is wide and the criteria for allocating credit cards are not clear. This leads to proliferation of credit cards. This increases the company's exposure to financial risk both internally and externally. Refining criteria for allocating corporate credit cards to employees will reduce the number of cards issued and the amount of exposure. Improving the regulation and monitoring of corporate credit card usage will also assist in reducing the company's exposure to risk.
- **Providing Sustainable Solutions**
The Define, Measure, Analyse, Improve, Control (DMAIC) and Define, Measure, Analyse, Design and Verify (DMADV) processes are specifically designed for sustainable solutions (Hoerl and Snee, 2003:228). In DMAIC, the improvements to a process are confirmed with data, and an entire phase is devoted to ensuring that the gains are sustained. In DMADV, which is used for creating new products and processes, a similar mindset holds. Both, DMAIC and DMAV can be used to provide a sustainable solution to the corporate credit card process in the example below:
 - Define: Obtain clarity as to who is eligible for a corporate credit card
 - Measure: The amount of credit cards in circulation in an environment
 - Analyse: Review the entire credit card process from issuing the credit cards to employees to capturing and submission of expense claims
 - Improve/Design: Revise current credit card policies and make recommendations according to gaps identified
 - Verify/Control: Corporate credit card policies to be enforced and constantly monitored with action taken for non compliance.
- **Timeframe**
In order to effectively use the Six Sigma methodology, a substantial amount of time must be allowed for a project (Hoerl and Snee, 2003:229). It does not provide simple fixes, and at times the people involved can become frustrated with the time required to systematically follow the improvement model. As an example, if an organisation decides to embark on a six sigma credit card project, personnel involved in any stage of the credit card process should be a part of the six sigma project. An agreed timeframe should be set in order to obtain a commitment.

- **Training Requirements**
In traditional Six Sigma implementations, employees go through extensive training to become Six Sigma project leaders (Hoerl and Snee, 2003:228). This can serve to be beneficial when the Six Sigma team has to engage with employees involved with corporate credit cards as this would reduce time spent on learning the processes established.
- **Corporate Focus**
Sigma is primarily an option for larger corporate organisations. Overwhelmingly, the majority of training and information available is geared toward that sector (Hoerl and Snee, 2003:228).

According to (Hoerl and Snee, 2003:229), those organisations that implement Six Sigma correctly achieve significant benefits that contribute to competitive advantage and to changing the culture in an organisation from reactive problem solving to proactive problem prevention. However, Six Sigma does take a lot of time to train people and then work through all of the steps (DMAIC) each time a problem needs to be solved. Companies with a credit card environment may find it difficult to adjust and change to the Six Sigma methodology as it is not typically part of the organisations structure or culture.

Total Quality Management

Mukherjee (2006:40) discusses Total quality management (TQM), as a business management policy which attempts to instil awareness and drive toward quality in all aspects of a business's operations. The aim of this system is to create long term success through a base of highly satisfied customers with loyalty to the company due to the great quality and care taken to ensure all of their needs are met up to their expectations. In the corporate credit card environment, the TQM approach can be implemented by focusing on the credit card holders as being customers of the organisation with the finance department being the service provider.

Mukherjee (2006:165) discusses the key components involved in TQM:

- **Total Quality Management in Action**
TQM is a strategy which must be instituted at all levels of a business in order to have the desired effect (Mukherjee, 2006:165). Everyone from the management, to lower level employees, and even assemblers on a manufacturing floor who never come in contact with the customer, must all be aware of the total quality system and now they fit into it. TQM puts a focus not only on the quality of products and services, but on a commitment to continuous improvement of processes, products and services. TQM in a corporate credit card environment ideally would include involvement from the credit card holders, the finance department that handles the processing of the card transactions to the company's financial system, the managers who approve the card holders expenses and basically any other personnel who is involved in the credit card process.

- **Customer Focus**
TQM is a customer-based vision of company management to increase the value of goods and services offered to customers according to Mukherjee (2006:138). Companies will collect and review customer data regarding satisfaction on goods and services, current demands for new products and suggested changes for existing products. Developing a customer-focused strategy of improving products and meeting customer needs helps companies achieve high customer satisfaction levels (Mukherjee, 2006:165). An organisation could develop a database based on credit card spending patterns by employees. According to Harris (2011:241) capturing spending patterns, identifying opportunities for leverage buying and establishing supplier agreements can contribute to further profits in an organisation.
- **Planning Process**
Using the information gathered from their customer-focused strategy, companies will plan their business processes to meet the desires of customers and businesses must understand that product quality is based on the perception of customers according to Mukherjee (2006:154). As part of the planning process for the allocation of corporate credit cards, organisations should decide what criteria should be used to allocate corporate credit cards. A needs test and scoring could be done on a need basis together with a motivation letter.
- **Process Management**
Once the planning process is complete, management can focus on the actual production process of TQM (Mukherjee, 2006:140). Process management could include reviewing policies and credit card expense claims to ensure they are consistent in standards.
- **Total Participation**
All aspects of TQM can be achieved only through total participation from all employees of the company according to Mukherjee (2006:170). For example, all divisions and employees must commit to adherence to a credit card policy and to meet consumer demands. Solid communication lines must also be created between management and employees as this allows the company to react quickly to any issues that affect the TQM process in the company.

Mukherjee (2006:88) discusses that TQM programs have the advantage of improving corporate reputations in the marketplace because errors and defective products are discovered much more rapidly than under a non-TQM system. TQM lowers costs throughout the business infrastructure and organisation. TQM helps different departments to communicate their needs and problems. This can be especially beneficial in a corporate credit card environment as departments can share concerns and work together to improve processes.

However, employees may feel that their jobs or occupations within the company are at risk under a comprehensive TQM program. Employees with corporate credit cards may view a TQM programme as a personal investigation if their transactions are selected for sample testing. The high cost of implementing a TQM program and that it may take several years for the program to be fully implemented before results and benefits are seen, according to (Mukherjee, 2006:160).

RESEARCH METHODOLOGY

3.1 Introduction

Panneerselvam (204:03) describes research methodology as a system of models, procedures and techniques used to find the results of a research problem. Research methodology also describes the methods used to collect and analyse data following the research design, sampling technique, measurement and instrumentation, data collection, conceptual framework and data analysis.

Target Population

The definition of the target population should specify the nature of the elements, sampling units containing the elements to be selected, geographic location of the elements and the time period under consideration (Daniel, 2012:42). The target population consisted of approximately 100 people. The target population included employees in possession of corporate credit cards, working at Moving Earth Machines (Pty) Ltd, employed at different grading levels. Participants were selected from across the company working in different departments including junior, middle and upper management as well as semi-skilled, skilled and highly skilled professionals.

Limitations of the Research

The research was conducted with the utmost level of completeness however there were limitations and shortcomings. The duration of the research was not sufficient to observe the spending patterns on corporate credit cards as this was not conducted over a full financial year. Spending patterns usually vary according to business events as well. The population of the questionnaire group was small and not really representative of the full staff compliment. The questionnaire was designed to measure the employee's attitude towards the use of company credit cards, it might not be a true reflection as employees may display a different attitude compared to their actual spending habits.

RESULTS, DISCUSSION AND INTERPRETATION OF FINDINGS

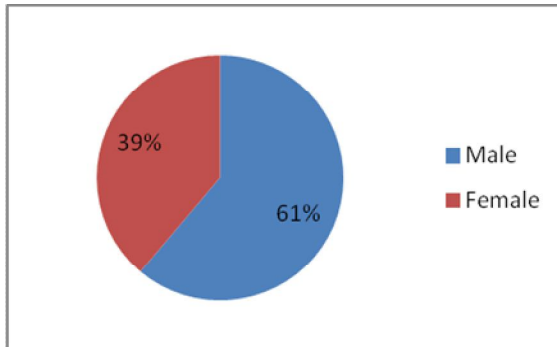
Data Collection and Analysis

A total of 98 copies of the questionnaires were collected from respondents by the researcher via electronic mail and written copies and entered into the Microsoft Excel spreadsheet. The data captured from the questionnaires were analysed and converted into percentages and collated in the form of tables, graphs and figures to make the data presentation meaningful. The data was analysed according to the questionnaires distributed. The following is an analysis of the data collected:

4.2.1 Gender Distribution

The gender distribution of the respondents is depicted in figure 4.1.

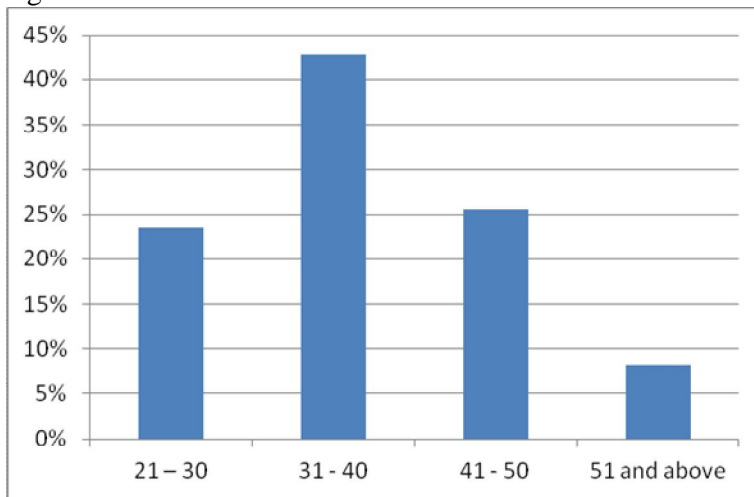
Figure 4.1
Gender Distribution



According to the findings, 39% of the respondents were female and 61% were male indicating that there were a higher amount of males with corporate credit cards compared to female respondents.

Age distribution

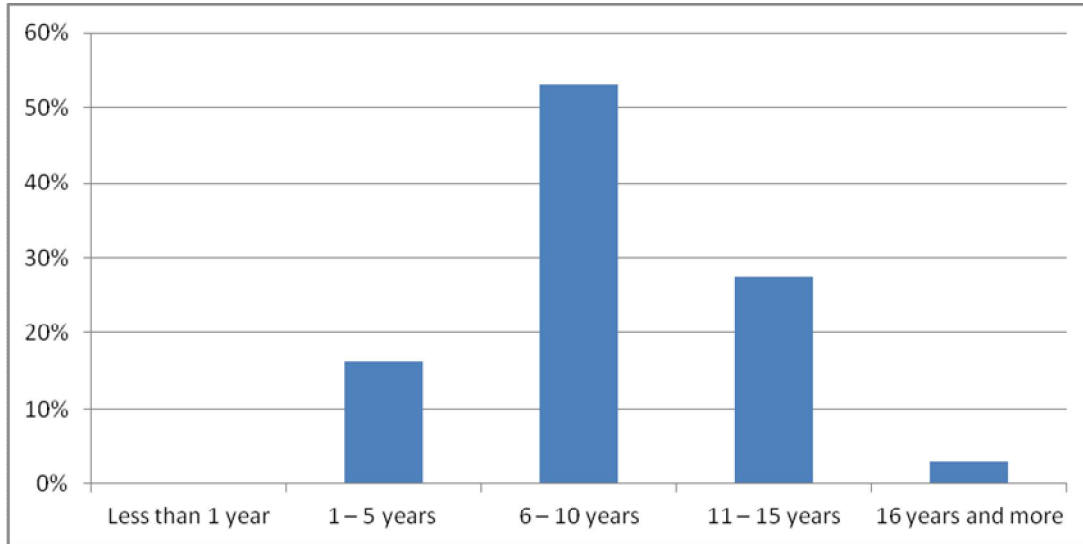
Figure 4.2
Age distribution



The majority (43%) of the respondents were in the age group between 31-40, followed by 26% in the 41-50, 23% in the 21-30 age group and 8% in the 51 and above age group. The youngest respondent was 22 and the oldest was 62.

Number of years at the organisation

Figure 4.3
Number of years at the organisation



The responses indicate in figure 4.3 that 3% of the corporate credit card holders were employed at the organisation for more than 16 years, 28 % of the respondents employed between 11 – 15 years at their organisation, 53% of the respondents employed between 6-10 years and 16% of the respondents employed between 1-5 years. None of the corporate credit card holders were employed for less than a year in the current organisation.

Department

Table 4.4
Department employed

Department	N	%
Facilities	5	5%
Operations	37	38%
IT	6	6%
Finance	3	3%
Mining	8	8%
Marketing	21	21%
HR & Payroll	0	0%
Sales	18	18%

The highest number of respondents (38%) was employed in an operations department, followed by the marketing department (21%), as shown in table 4.4. The sales department

follows with 18% of the employees being employed there and 8% working in the mining department. 6% of the employees work in the IT department, followed by facilities with 5% and none of the respondents worked in HR or the Payroll department.

Occupation level

Table 4.5
Occupation level

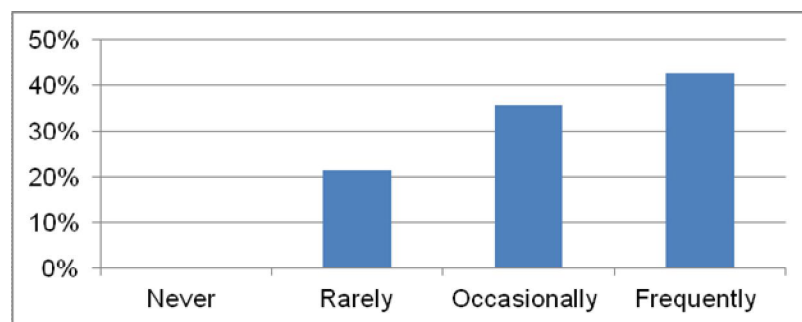
Position held in the organisation	N	%
Top management	2	2%
Senior management	43	44%
Middle management, Professional & qualified experienced specialist	35	36%
Junior Management & Supervisors	12	12%
Semi skilled	5	5%
Unskilled	1	1%

Based on the responses from the questionnaire shown in table 4.5, 44% of the employees worked at a senior management level followed by 36% of the population working at a middle management, professional and qualified experienced specialist level. A total of 12% of the respondents worked at a junior management and supervisor level and 5% worked at a semi skilled level. Table 4.5 indicates that 2% of the respondents worked at a top management level and the lowest number of employees (1%) worked at an unskilled level.

Frequency of use of the corporate credit card

The questionnaire asked respondents how frequently they used their corporate credit cards. Their responses are shown in figure 4.6.

Figure 4.6
Frequency of Corporate credit card use



There were 43% of the respondents who frequently used their corporate credit cards and 36% of respondents who occasionally used the corporate credit cards. A total of 21% of the respondents rarely used their corporate credit cards.

Leung and Lai (2001:327) discuss that personal credit cards should have an application process based on anticipated employee needs for a credit card. Employees in possession of a corporate credit card should be using the card for business purposes. Figure 4.6 indicates that

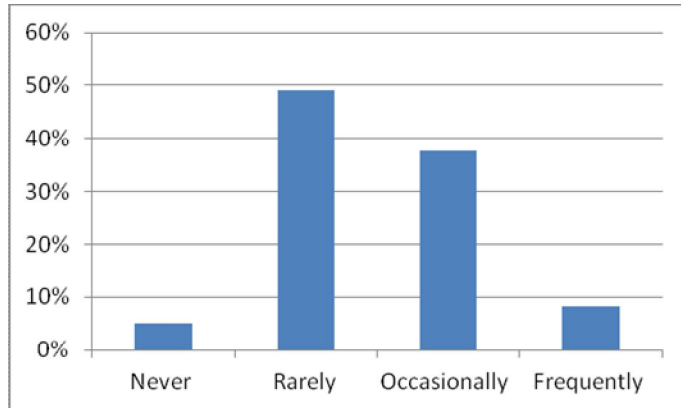
the majority of respondents (43%) frequently use their corporate credit cards. The result further highlights the anticipated need for the corporate credit card is in line with the frequency of usage by the employee.

Assessing the impact of corporate credit card spending on the organisation

The assessment of the impact of corporate credit card spending on the organisation by employees is depicted in figure 4.7.

Figure 4.7

Assessing the impact of corporate credit card spending on the organisation



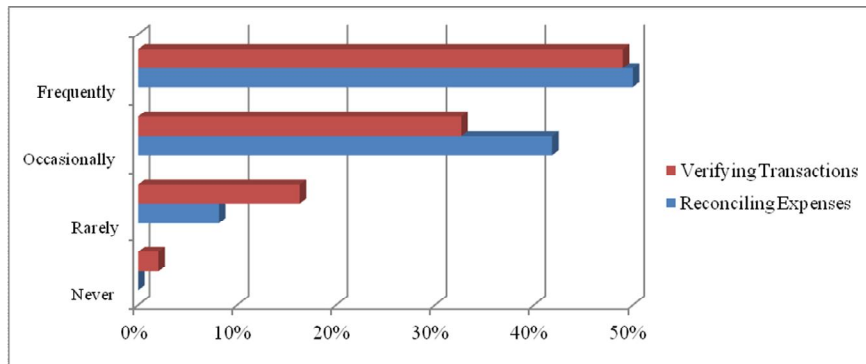
Based on figure 4.7, 49% of the respondents were able to assess the impact of their corporate credit card spending on the organisation. Between 38% and 8% of the respondents could occasionally and frequently assess the impact of their spending respectively, 5% of the respondents could never assess the impact of their corporate credit card spending on the organisation.

The Association for Financial Counselling and Planning Education (1996:1) discussed that an employee with a corporate credit card should display a sound knowledge of financial literacy. Figure 4.7 indicates that the majority of respondents (48%) display the ability to assess the impact of corporate credit card spending on the organisation. A lack of this ability can result in high costs incurred by employers, such as the loss of customers who seek better service and loss of revenue from sales not made.

Reconciling and Verifying Corporate Credit Card Expenses

Respondents were asked if they completed reconciliation on their corporate credit card expenses and whether these expenses were verified. Their responses are shown in figure 4.8.

Figure 4.8
Reconciling and Verifying Credit Card Expenses

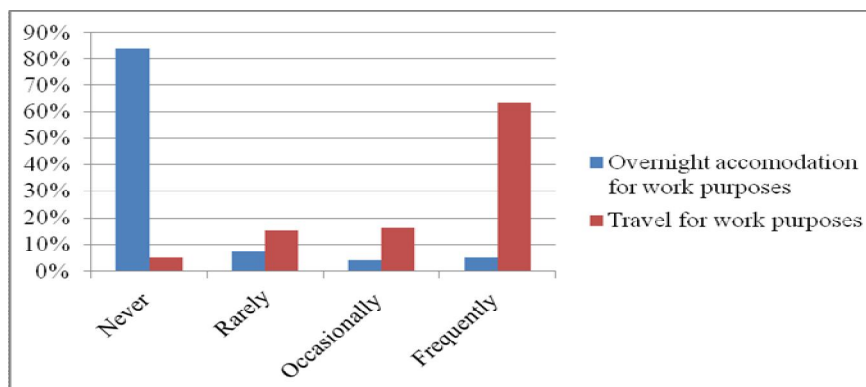


The responses indicate that 50% of the corporate credit card holders frequently reconcile their expenses and 49% of them verify their transactions. It is evident that there is a link between the diligence in frequently reconciling expenses and the verification of corporate credit card transactions. Figure 4.8 indicates that 42% of the respondents occasionally verify their transactions while 33% occasionally reconcile their corporate credit expenses. At the lower end of the graph, 16% of the respondents rarely verify their transactions while 8% of them rarely reconcile their expenses. Finally, there were no respondents who never reconciled their expenses however, 2% of the respondents indicated that they never verified transactions.

Richards-Gustafson (2005:1) discusses that routine audits and account reconciliations should be conducted regardless of the usage restrictions placed on an employee credit card and the company should include a thorough reconciliation process in an employee credit card usage policy. Figure 4.8, displays a close relationship between the majority of respondents (49% and 50%) verifying transactions and reconciling expenses respectively.

Travel and Accommodation

Figure 4.9
Travel and accommodation requirements by corporate credit card holders



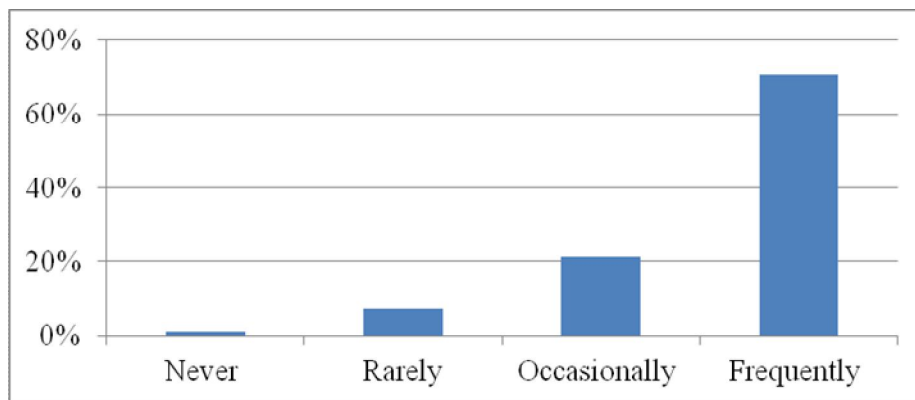
Based on the responses depicted in figure 4.9, 84% of corporate credit card holders never required overnight accommodation for company purposes while 5% of the respondents never travel for work related purposes. The responses also indicated that 7% of the respondent's

rarely required overnight accommodation and 15% of them rarely travelled for work related purposes. The questionnaire also highlighted that 4% of the respondent's occasionally required overnight accommodation and 16% occasionally travelled for work purposes. There were also 5% of the respondents who frequently required overnight accommodation and 63% who frequently travelled for work purposes.

Customer Entertainment

The questionnaire asked respondents how frequently they entertained customers. The responses are shown in figure 4.10.

Figure 4.10
Entertainment of customers



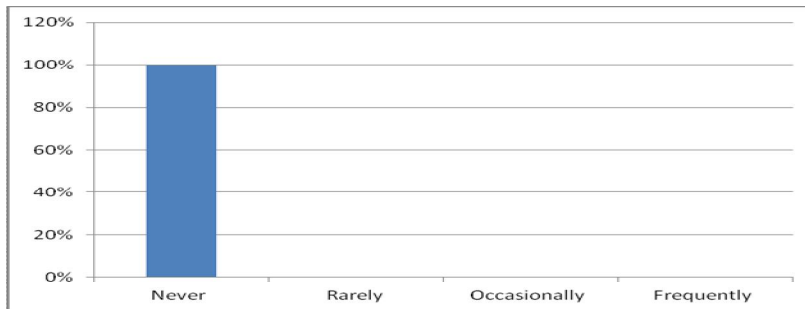
The responses indicate that 70% of corporate credit card holders frequently entertained customers. Figure 4.10 indicates that 21% of the respondents occasionally entertained customers, while 7% and 1% rarely and never entertained customers respectively.

Mukherjee (2006:40) discusses in order to ensure highly satisfied customers with loyalty to the company, great quality and care needs to be taken to ensure all of their needs are met up to their expectations. Figure 4.10, indicates that most of the corporate credit card holders (70%) frequently entertained customers thereby confirming their understanding of keeping customers satisfied to ensure current and future business exchange. The questionnaire attempted to further establish if corporate credit cards were used by employees to entertain customers without securing or bringing in any business from customers. The findings are represented and discussed in 4.2.12.

Company refusal on expenditure and limitations on corporate credit cards

The questionnaire asked respondents to indicate if they were refused expenditure approval by management or used their corporate credit cards against company guidelines, had their cards withdrawn or salary deducted from them. Their responses are depicted in figure 4.11.

Figure 4.11
Company refusal on expenditure and limitations on corporate credit cards



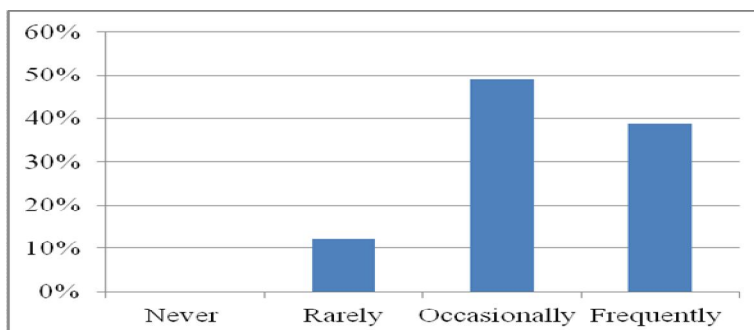
All of the respondents (100%) had never been in a situation whereby their expenses were disallowed or used their corporate credit cards against company policy or were aware of restrictions stipulated in the company policy on the amount of business drawn in. All (100%) of the respondents had never had their corporate credit cards withdrawn from them or their salary deducted due to improper credit card usage.

Tricker (2012:181) states that credit card policies can help make sure employee spending benefits a company. When a company allows its employees to use a credit card for business purposes, it should adopt an employee credit card usage policy. Such a policy will protect a business from the misuse of company funds. Based on the responses indicated in figure 4.11, the corporate credit card holders appear to be clearly aware of the terms of proper usage not to have been in a situation to have expenses disallowed or used their corporate credit cards against company policy.

Use of corporate credit cards to entertain customers without bringing in business

Corporate credit card holders were asked if they had used their corporate credit cards on customers without contributing to the business growth through customers. The findings are shown in figure 4.12.

Figure 4.12
Corporate credit cards used to entertain customers without bringing in business



Based on the responses from the questionnaires, 39% of the respondents frequently entertained customers without a direct result of bringing in a customer's business. The responses also indicate that 49% of the corporate credit card holders occasionally did not

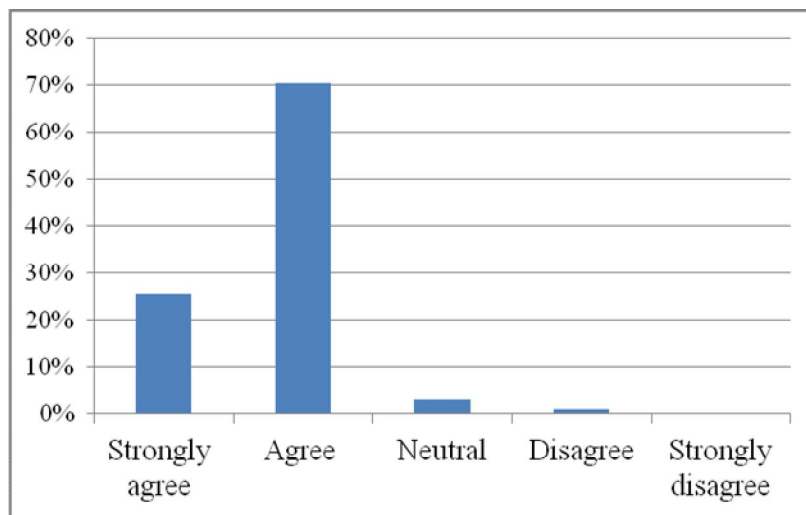
bring in business after entertaining customers while 12% of the respondents rarely entertained customers without resulting in new business.

Bennis and Gibson (1998:9) discuss that corporate credits cards are viewed as a mechanism for employees to entertain and cater to customer needs in order to secure their business. There is no guarantee that spending on the customer's needs will secure their needs. This is highlighted by the findings indicated in figure 4.12 where 39% of the corporate credit card holders confirm that they frequently do not secure customer business through using their corporate credit cards. The majority of 49% of the respondents occasionally do secure the customer business.

Corporate credit cards assisting in achieving the company's strategic goals

Figure 4.13

The assistance of corporate credit cards in achieving the company's strategic goals



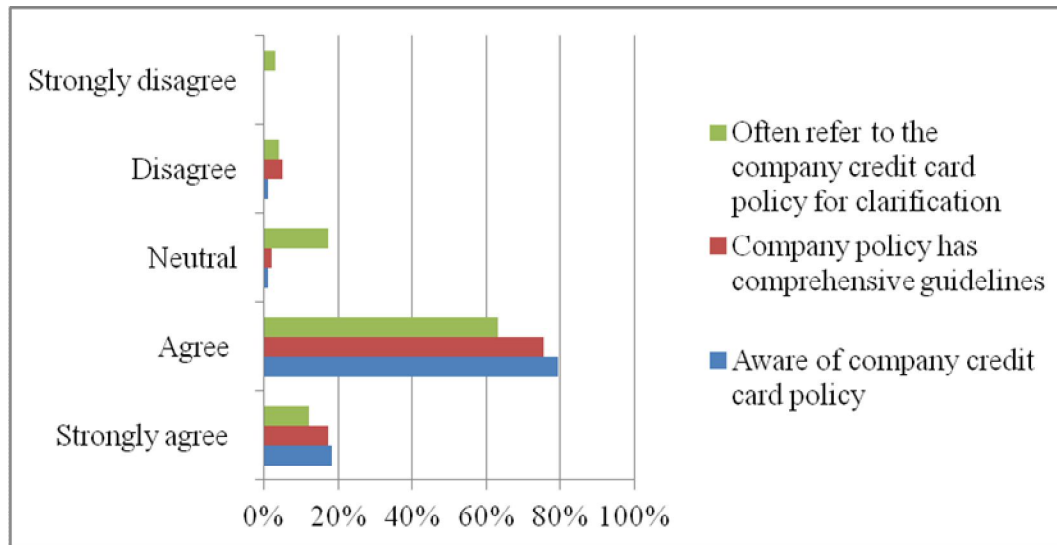
The respondents were asked if their corporate credit cards assisted them in achieving the company's strategic goals. The responses are depicted in figure 4.13. The responses indicated that 26% of the respondents strongly agreed that the corporate credit cards did assist them in achieving the company's strategic goals. A total of 70% of the participants agreed that the corporate credit cards assisted them in achieving the company's strategic goals while 3% and 1% of the respondents were neutral and disagreed respectively. None of the corporate credit card holders disagreed that the corporate credit cards did not assist them in achieving the company's strategic goals.

Renico (2011:1) discusses that without a clear sense of standards, members lose sight of the global goal of the organisation. The findings shown in figure 4.13 indicate that the majority of respondents (70%) agree that the creation of standards such as the use of corporate credit cards to achieve company's goals, are especially important. Securing customer business as discussed in 4.2.12 can be viewed by many organisations as a vital component of a company's strategic goals. However, the majority of respondents (49%) were occasionally able to achieve a likely strategic goal of the company of securing the business of a customer by spending on their corporate credit card.

Corporate credit card policy awareness and guidelines

Corporate credit card holders were asked if they were aware of the corporate credit card policy, referred to the policy for clarification and if they felt the policy's guidelines were comprehensive. Their responses are depicted in figure 4.14.

Figure 4.14
Awareness, guidelines and reference to the company credit card policy



Based on the responses, 18% of the respondents strongly agreed that they were aware of the company credit card policy, 17% of the respondents strongly agreed that the company policy had comprehensive guidelines and 12 % strongly agreed that they often refer to the company policy to gain further clarification on corporate credit card spending. A total of 80% of the respondents agreed that they were aware of the company credit card policy, 76% agreed that the company policy had comprehensive guidelines and 63 % agreed that they often refer to the company policy to gain further clarification on corporate credit card spending. Figure 4.14 indicates that 1% of the respondents were neutral about being aware of the company credit card policy, 2% were neutral about the company policy having comprehensive guidelines and 17 % were neutral in referring often to the company policy to gain further clarification on corporate credit card spending. 1% of the respondents disagreed that they were aware of the company credit card policy, 5% disagreed that the company policy had comprehensive guidelines and 4 % disagreed that they often refer to the company policy to gain further clarification on corporate credit card spending. 3 % of the respondents strongly disagreed that they often refer to the company policy to gain further clarification on corporate credit card spending and none of the respondents strongly disagreed about being aware of the company credit card policy or the company having comprehensive guidelines on corporate credit card spending.

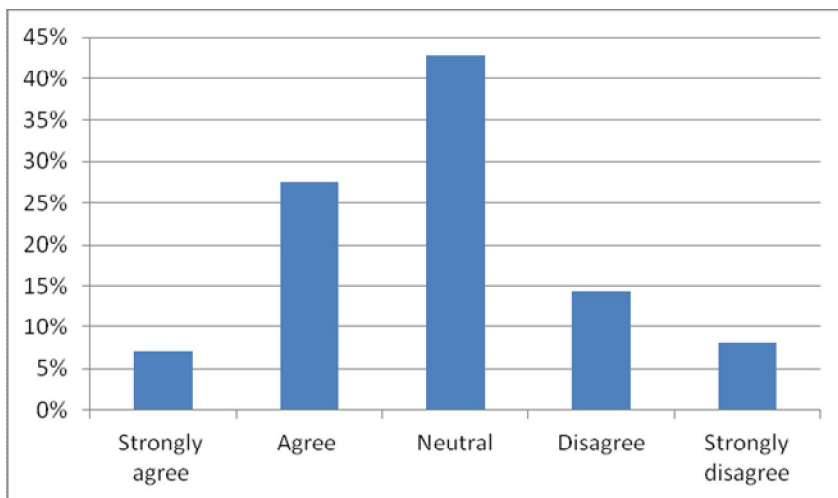
Tricker (2012:181) states that credit card policies can help make sure employee spending benefits a company. When a company allows its employees to use a credit card for business purposes, it should adopt an employee credit card usage policy. This is in line with the data

represented in figure 4.14, where it is indicated that the majority of the respondents agree that they are aware of the company credit card policy (80%), agreed that the company policy had comprehensive guidelines (76%) and agreed that they often refer to the company policy (63%) to gain further clarification on corporate credit card spending. Such policies protect a business from the misuse of company funds and reduce the liabilities of corporate officers.

Sufficient control measures to prevent fraudulent spending

The respondents were asked if they felt there were sufficient control measures to prevent fraudulent spending on corporate credit card expenses. Their responses are depicted in figure 4.15.

Figure 4.15
Sufficient control measure in a company to prevent fraudulent corporate credit card spending



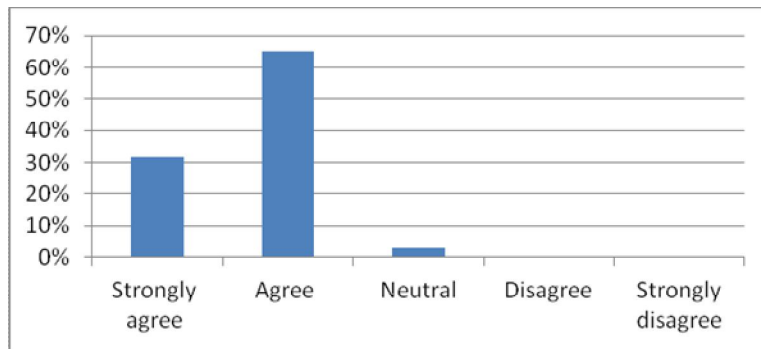
Based on the responses depicted in figure 4.15, 7% of the respondents strongly agreed that there are sufficient control measures in their organisation to prevent fraudulent corporate credit card spending while 28% of the respondents agreed that there are sufficient control measures. Figure 4.15 indicates that 43% of the respondents are neutral while 14% and 8% disagree and strongly disagree respectively, that there are sufficient control measures in their organisation to prevent fraudulent corporate credit card spending.

Martyn (2013:332) discusses that policies and procedures in an organisation need to be controlled and monitored and organisational controls over the usage of credit cards should have review procedures. Figure 4.15 confirms that 28% of the respondents agree that there are sufficient control measures in the organisation. A total of 43% of the respondents were neutral about the company having sufficient control measures. This could be due to a lack of knowledge by respondents about the company's control measures or there could be a justified weakness in the organisation's control measures to prevent fraudulent spending.

Compliance to the company policy with the risk of losing a customer

The respondents were asked if they would comply to the company's corporate credit card policy even if it meant losing a potential customer. Their responses are shown in figure 4.16.

Figure 4.16
Complying to a company policy with the risk of losing a customer



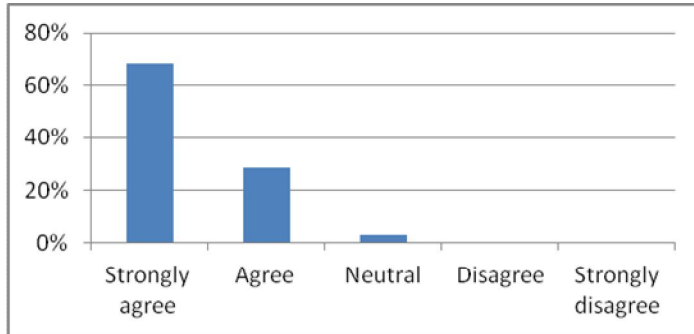
Based on the responses from the questionnaire, 32% of the respondents strongly agree that they would rather adhere to the company policy on corporate credit card spending than lose a customer. Figure 4.16 indicates that 65% of the respondents agree that they would rather comply with the company policy while 3% were neutral about losing a customer instead of complying with the company policy on corporate credit card spending. None of the participants disagreed or strongly disagreed to complying with the corporate credit card policy with the risk of losing a customer.

Page (2002:27) states that adhering to corporate policies and procedures makes a work force more proficient. This can be further highlighted by the findings depicted in figure 4.16 which indicate that 32% and 65% of the respondents strongly agree and agree respectively, that they place a higher importance on adhering to company policy than customer business. The employees, who know the policies and procedures of a business, can confidently operate under dependable workplace conditions. Adhering to a company policy also results in the benefit of achieving the company's vision and operational consistency, function with great efficiency as the corporation is being operated as planned (Page 2002:26). The majority of respondents being 32% and 65% who strongly agree and agree respectively, indicate that that they would rather adhere to the company policy than lose a customer. This can be viewed as an indication that employees display an understanding that complying with corporate policies and procedures is expected from each employee of the corporation.

The application of company credit card policy to all employees with corporate credit cards

The questionnaire asked respondents if the application of the company credit card policy was applicable to all employees with corporate credit cards. Their responses are depicted in figure 4.17.

Figure 4.17
Application of company credit card policy to all employees with company credit cards



The responses from the questionnaire indicated that 68% of corporate credit card holders strongly agree that the corporate credit card policy was applicable to all employees with corporate credit cards while 29% of the respondents agree with the corporate credit card policy being applicable to all employees with corporate credit cards. Figure 4.17 indicates that 3% of corporate credit card holders were neutral about the corporate credit card policy being applicable to all employees with corporate credit cards and none of the respondents disagree or strongly disagree with the corporate credit card policy being applicable to all employees with corporate credit cards.

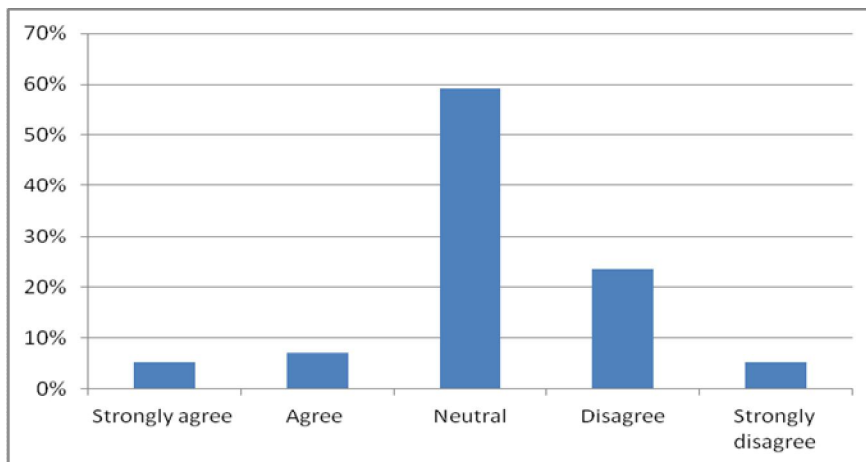
Bai and Chen (2008: 270) discuss that an organisation can develop a credit card policy, displaying the relevant information to employees using credit cards in order to enhance their ethical and disciplinary education and strengthen their professional responsibility. Figure 4.17 indicates that 68% of the respondents strongly agree with the policy being applicable to all employees in the organisation. This can be seen as an indication that the employees are aware that structures exist in an organisation to prevent the misuse of the company credit cards by all employees.

Awareness of the tax implication, based on corporate credit card spending

Corporate credit card holders were asked if they were aware of the implications that corporate credit card spending had on the organisation. Their responses are depicted in figure 4.18.

Figure 4.18

Awareness of the tax implication of corporate credit card spending



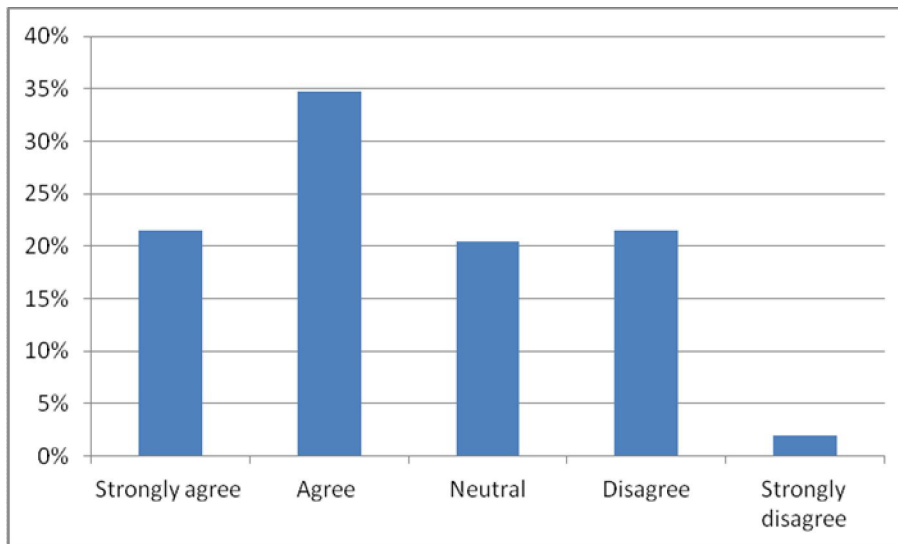
The responses from the questionnaires indicated that 5% of the respondents strongly agree that they were aware of the taxation impact that the spending on corporate credit cards had. 7% of the corporate credit card holders agree to be aware on the tax implication of spending on corporate credit cards while 59% were neutral. Figure 4.18 indicates that 23% of the respondents disagree and 5% strongly disagree to being aware of the tax implications of corporate credit card spending.

Page (2002:27), discusses that when employees know the policies and procedures of a business, they can confidently operate in the organisation. A concern is highlighted in figure 4.18 which indicates that 59% of the respondents are neutral about being aware of the tax implications of corporate credit card spending. A situation could arise whereby employees with corporate credit cards who are not are aware of the policy on credit card usage, could spend on unfavourable taxable expenses thereby harming the financial performance of the organisation.

The prescribed limit being sufficient on the corporate credit card

The questionnaire asked the respondents if they felt that the current prescribed limit was sufficient on their corporate credit cards. The responses are show in figure 4.19.

Figure 4.19
Sufficient current limits on corporate credit cards



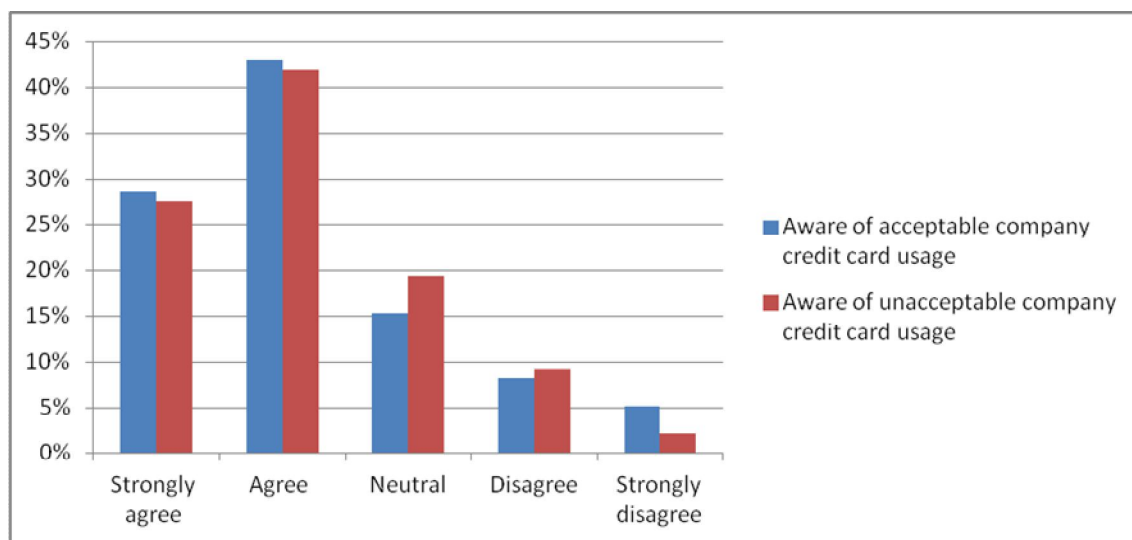
Based on the responses, 21% of the corporate credit card holders strongly agree that their current corporate credit card limits were sufficient and 35% of the respondents agree to the limit being sufficient. Figure 4.19 indicates that 20% of the respondents were neutral about their current limits being sufficient and 21% disagree to their current corporate credit cards being sufficient. A total of 2% of the respondents strongly disagree to their current corporate credit cards being sufficient.

Renico (2011:1) states that adhering to limits set on company credit cards can impact on an organisation's performance. The findings highlighted in figure 4.19 indicate that the majority of respondents (21% and 35%) strongly agree and agree respectively with the prescribed limits being sufficient on their corporate credit cards. This is in line with the view that limits set on a corporate credit card are sufficient enough for employees to achieve organisational goals.

Awareness of acceptable and unacceptable credit card usage

The questionnaire asked corporate credit card holders if they were aware of the acceptable and unacceptable uses of the corporate credit cards. The responses are shown in figure 4.20.

Figure 4.20
Awareness of acceptable and unacceptable credit card usage



Based on the responses of the corporate credit card holders, 29% of the respondents strongly agree they were aware of the acceptable uses of corporate credit cards and 28% strongly agree to be aware of the unacceptable uses of the company credit cards. A total of 43% of the respondents agree they were aware of the acceptable uses of corporate credit cards and 42% agree to be aware of the unacceptable uses of the company credit cards. Figure 4.20 indicates that 15% of respondents were neutral to the acceptable uses of corporate credit cards and 19% were neutral to the unacceptable uses of the company credit cards. A total of 8% of corporate credit card holders disagree they were aware of the acceptable uses of corporate credit cards and 9% disagree to being aware of the unacceptable uses of the company credit cards. Finally, 5% of respondents strongly disagree they were aware of the acceptable uses of corporate credit cards and 2% strongly disagree to being aware of the unacceptable uses of the company credit cards.

Bai and Chen (2008: 272) states that all departments dealing with company credit cards should employ mass channels to strengthen anti fraud information. Figure 4.20 indicates that the majority of respondents either strongly agree or agree that they are aware of the acceptable and unacceptable uses of the corporate credit cards. This confirms that there are successful company policy roll outs and communication channels in organisations

highlighting the appropriate terms of corporate credit card spending. The majority of respondents displayed proper knowledge and improper knowledge of corporate credit card spending.

CONCLUSIONS AND RECOMMENDATIONS

Findings from the Literature Review

Throughout the literature, the link between corporate credit cards and the organisation is made and reiterated as both components are crucial to each other's successful existence. The study revealed that a company credit card is a convenient method to facilitate ad hoc business expenses and is widely used by organisations. Companies with corporate credit cards need to therefore incorporate them in the company's business plan, objectives or goals as means of attaining those goals.

The research displayed that corporate credits cards were viewed by many employees, as a mechanism for employees involved in customer interaction to foster and maintain relationships with customers. A number of corporate credit card eligibility issues had been identified in the literature and there were no concise, qualifying criteria for potential credit card holders. Individual's tasks vary in an organisation and their spending needs for business may differ. Certain individuals may also require a larger credit limit than others however, the organisation may be viewed as being biased due to a larger credit limit being approved for some employees, may portray their jobs as being more important compared to another employee with a lower credit limit.

The spending on corporate credit cards could not in many circumstances deliver a tangible method in which the benefits were seen by the company. There was often a perceived benefit of improved customer business through entertaining and catering to customer needs in order to secure their current and future business, however there was no substantial proof of this.

Financial literacy amongst employees was highlighted in the review of literature as a key component to the successful implementation of business operations. A high level of financial acumen amongst employees would assist them in further determining if a financial benefit would accrue to the company due to corporate credit card spending.

The behaviour of employees associated with credit cards, revealed in the review of literature, varying traits displayed by employees regarding their attitude and spending patterns on corporate credit cards. The challenge facing organisations are that a larger number of employees working at an organisation could prove difficult, in considering each person's needs and personality types and apply them on an individual basis to corporate credit cards.

In the literature review, Maslow (1970:5) discussed that individuals continuously seek fulfilment of inner needs, beginning with those of a basic physiological character and progressing to self-actualisation. Individuals however display different needs based on their personal situations. An employee experiencing personal financial difficulty may find it challenging to resist the temptation of spending on the corporate credit card for a personal expense compared to an employee who is in a more stable financial situation.

Policies and procedures discussed in the review of literature generally set the guidelines according to which a company should operate. However, these policies may not be comprehensive enough to cover every aspect or situation an employee could be faced with, in their daily encounters of business scenarios.

In addition to the policies and procedures, the review of the literature also revealed that control mechanisms are critical to all organisations. These mechanisms which are implemented to ensure that the desired performance of the company's credit card strategy is in line with the actual desired performance of the company will be dependent on the goals of an organisation. A major challenge that could face a company would be to ensure that mechanisms oversee and address issues to such an extent, that they must be tailored to meet the specific goals of an organisation. This is not always the most feasible route as implementing such mechanisms could be an extremely financial and labour intensive project.

The business decision to implement a credit card system highlighted in the review of literature, would have involved setting guidelines and communication of these guidelines to all employees in an organisation, however, this can be a very detailed and complicated process. All employees may not display the same level of understanding in policies and procedures and this can result in the misinterpretation of many guidelines on corporate credit card usage.

Findings from the Primary Research

The study demonstrated that the spending incurred by employees with corporate credit cards had a direct impact on the company through the high frequency of credit card spending. The questionnaires sent to corporate credit card holders demonstrated that 43% of the respondents frequently used their corporate credit cards and 36% of respondents occasionally used the corporate credit cards. 21% of the respondents rarely used their corporate credit cards. Although all of the respondents had at some point or the other, used their corporate credit cards, only 8% were able to actually assess the impact of their spending on the organisation. This can be attributable to weak financial literacy discussed in the review of literature.

The high volume of spending on corporate credit cards would by implication, have a direct effect on the operating profit of the company as well. The challenge however is that there is no reliable measure to determine if the spending on the corporate credit card by employees had a positive impact on the company through improved customer business. The study further highlighted the difficulty in establishing a guarantee, that spending on the customer's needs will secure their business. This was highlighted by the findings whereby 39% of the corporate credit card holders confirmed that they frequently do not secure customer business through using their corporate credit cards and 49% of the respondents occasionally do secure the customer business.

In addition to determining the level of responsibility of employees with corporate credit cards, an organisation would also expose itself to risk by entrusting the usage of corporate credit cards to employees. This can result in the organisation being exposed to significant areas of risk such as fraud, unapproved expenditure and credit card abuse. This is further highlighted by the low percentage of employees (8%) who were actually able to assess the impact of their corporate card spending.

Various methods were identified regarding the manner in which corporate credit cards were used and the controls implemented by the organisation. In many circumstances, it was discovered that organisations attempted to control and monitor corporate credit card usage through streamlined policies, specific to the environment in which the organisation operates. The study revealed that 63% of employees often referred to the company policy to gain further clarification on corporate credit card spending and a high number of the respondents (49% and 50 %) verified transactions and reconciled expenses respectively, on their corporate credit cards, thereby ensuring control measures were implemented and adhered to according to the company policies.

Employees were of the view that corporate credit cards assisted them in achieving the company's strategic goals. A total of 86 % of employees agreed and strongly agreed that the creation of standards associated with the use of corporate credit cards assisted them to achieve the objectives set out by the organisation. However, in order to achieve these goals, it would be essential that employees were aware of the guidelines and policies associated with the corporate credit card usage. The study revealed that majority of the respondents (80%) were aware of the company credit card policy and they agreed that the company policy had comprehensive guidelines; however, only 25 % of employees felt that the control measures were sufficient to prevent fraudulent corporate credit card spending.

Conclusions

The primary aim of embarking on the study was to assess the utilisation of corporate credit cards as a method to facilitate business operations. As the study developed, it became evident that there was a direct impact on the organisation and its business operations, based on the use of corporate credit cards by employees. Assessing the impact on the organisation encompassed various areas of research to determine the extent to which different components of an organisation's and the related variables were affected.

The majority of corporate credit card holders displayed a reasonable amount of financial knowledge required to successfully utilise and manage the organisation's spending mechanism. Findings from the study indicated that the implementation of corporate policies involving credit card usage served as a successful tool for guidance and reference to employees seeking clarity on acceptable terms of usage of the corporate credit cards. There appeared to be little deviation from the company policy regarding spending limitations and all respondents appeared to adhere to company policies.

Recommendations

The findings indicated that there were slight deviations from the company policy regarding corporate credit card spending and lack of knowledge in being able to assess the impact of spending on the corporate credit cards by employees. Further, financial literacy development could be introduced by the organisation, to employees in the possession of corporate credit cards. The aim of educating employees should focus on the proper terms of usage regarding their corporate credit cards, how to benefit the company through their spending and ways in which control measurements could be implemented on a regular basis.

Managers should review and approve on a regular basis, expense claims and credit card statements of their subordinates or direct reporting staff. Expense reconciliations should be

performed on a regular basis with proper supporting documents for expense claims attached or filed for further reference to justify spending.

Organisations can strive to adopt a strict approval process in order to fully substantiate the need for an employee to be in possession of a corporate credit card. This can eliminate circumstances whereby employees are in possession of a corporate credit card and incur expenses that would not directly attribute to the overall goals of the organisation.

Methods to directly measure the benefit of corporate credit cards should be developed by organisations. This tool could assist companies with corporate credit cards to determine if there is a benefit in providing employees with corporate credit cards or withdraw current corporate cards in circulation.

Corporate credit card policies should be clear and accessible to all employees. Organisations should implement procedures to eliminate any challenges in employees accessing policies that will benefit the company. This can serve as a method to facilitate legitimate expenditure and highlight the consequences of deviating from the company's policy. The policy should also be revised and updated on a regular basis to be on par with the current and changing market conditions, in the environment within which the organisation operates.

Routine audits and account reconciliations should be conducted regardless of the usage restrictions placed on an employee credit card and the company should include a thorough reconciliation process in an employee credit card usage policy

Further, development into financial systems to track and monitor spending patterns and analysis of cost versus benefit tools applicable to corporate credit cards can assist organisations to adjust operational procedures where necessary that will benefit the organisation.

Areas for Further Research

After the research had been concluded, it became evident that there are still additional areas in the corporate credit card environment that need to be further investigated. Financial sectors such as government departments and multinational corporate firms could be researched to gain a wider perspective of the corporate card environment.

Investigations into an automated expense claim submission and approval process can be performed to streamline and eliminate areas of risk to the organisation, in a corporate credit card system.

Communication of policies and procedures can assist to further eliminate the challenge of corporate credit card abuse and aligning the usage to company goals. Development of specific policies applicable to the environment in which an organisation competes in and research into understanding individual behaviour characteristics can be investigated to gain further insight into the human resource component of corporate credit cards.

Conclusion

As technology develops in the corporate industry, firms have to constantly evolve to keep abreast with the changing times. Employee methods of corporate spending, credit card

technology and company policies are prone to constant change in order to survive in a competitive business environment. A high level of diligence is required by all employees involved with corporate credit cards in order to maintain and achieve the organisational goals.

The entire corporate credit card process in an organisation can comprise of many components as the study has revealed. This can include the application of corporate credit cards by employees, the cards expense capturing in a financial system, a submission and monitoring process, certain control mechanisms to prevent card abuse and company policies developed for overall guidance. Applying a strict adherence to this process involving corporate credit cards can assist an organisation achieve an unflawed corporate credit card system and achieve operational goals and targets.

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Kindly note that the entire bibliography used in the study is cited and the references for this article are contained within the full bibliography presented.

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