

Effects of fraud and forgery and performance in hotels in Nairobi, Kenya.

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Abstract : Hotel managers and owners at a corporate and hotel level look for opportunities to tighten the belt in their operations as they incur hidden costs which eat not only on their revenue but affect many aspect of running the hotel. With rising incidences of fraud and forgery affecting not only clients and guests but also the processes of the business, hotels are forced to reconsider their stance in fighting the vice. The purpose of this paper was to examine the effects of fraud and forgeries perpetrated by employees, customers, and suppliers on the performance hotels. The results showed that some employee fraud and forgery do affect the performance while some do not affect like cash register fraud. Customer frauds and forgeries affect performance especially guests living the hotel without clearing their bills while suppliers' fraud and forgeries affect performance of the hotel because they occur for long periods of time increasing expenditure as the hotel has to pay. The study concluded that overall hotel performance suffers from frauds and forgeries through increased operating costs, low productivity due to reduced employee morale and absenteeism. The findings may benefit hotel managers to know the extent of the effect of fraud and forgeries on hotel performance and the cost of the vice.