

Overview Of Fraudulent Behaviour

^{1*}Aisyah Wulandari Marbun, ²Jordi Satria Fernando

^{1*}Sekolah Tinggi Ilmu Ekonomi Tri Bhakti, Bekasi, Indonesia

²Universitas Krisnadwipayana, Bekasi, Indonesia

Email : jordisatria22@gmail.com

Corresponding author e-mail: aisyahwulandarimarbun@gmail.com

Article Info	Abstract
<p><i>Keywords:</i></p> <ul style="list-style-type: none">○ Whistleblowing System○ Financial Pressure○ Fraudulent Behaviour○ Good Corporate Governance	<p><i>Purpose</i> - Aims to obtain evidence regarding the effect of the whistleblowing system and financial pressure on fraud with good corporate governance as a moderating variable.</p> <p><i>Design/methodology/approach</i> - This study investigates the impact of the whistleblowing system and financial pressure on fraudulent behavior with good corporate governance as a moderating variable. Using data from 220 respondents analyzed through SmartPLS 3.0, findings reveal that while the whistleblowing system negatively affects fraud, this effect is not significant. Financial pressure positively influences fraud but remains statistically insignificant. Notably, good corporate governance strengthens the relationship between the whistleblowing system and fraud prevention but does not moderate the impact of financial pressure on fraud. These insights highlight the need for more effective governance and fraud prevention mechanisms in corporate</p> <p><i>Findings</i> - The results of this study found that the whistleblowing system has a negative effect on fraud and is not significant, financial pressure has a positive and insignificant effect on fraud, good corporate governance strengthens the whistleblowing system against fraud and good corporate governance strengthens financial pressure against fraud.</p> <p><i>Research limitations/implications</i> - The limitation in this study is the response of the respondents, some employees who have been contacted are difficult to take the time to fill out the questionnaire within the specified time period.</p>
Article History	
<p>Received: 8 - 01 - 2025 Accepted: 15 - 01- 2025 Published: 30 - 04 - 2025</p>	

INTRODUCTION

Fraud or fraud is an act that is made intentionally to gain unfair or unlawful benefits, fraud cases do not only occur in the government sector, but often also occur in the private company sector. One of the cases of international companies committing fraud is Toshiba Corporation, an electronics company from Japan. This case occurred in 2015 Toshiba was proven to have committed fraud amounting to 1.2 billion USD to meet the unit performance target. This has been going on for 6 years, as a result of this case Toshiba was fined 300-400 billion yen, until finally Toshiba sold property and assets to stabilize their balance sheet (Pakpahan & Jasmansyah, 2015) Fraudulent Behaviour are based on various motives according to (Meilany & Winario, 2024), namely pressure, opportunity, rationalization, ability, arrogance and collusion. One of the incidents that occurred in one of the companies in Indonesia was the case of PT Advantage SCM, it was by one of their employee who

did fraud cash almost 25 million rupiah and the company lost some partnership. The purpose of this study was to determine and analyze the effect of the Whistleblowing System and Financial Pressure on Fraudulent Acts with Good Corporate Governance as a moderating variable. This research is expected to be a reference for interested parties and useful in making decisions.

Fraudulent acts are behaviors that harm many parties concerned, therefore researchers are interested in examining the effect of the Whistleblowing System and Financial Pressure on Fraudulent Behaviour with Good Corporate Governance as a moderating variable.

LITERATUR REVIEW

Whistleblowing System

Whistleblowing system is an internal mechanism forum for a whistleblower to complain about fraud or violations committed by internal organizations for reporting fraud. an effective whistleblowing system can encourage the participation of the community and company employees to be more courageous in acting to prevent or minimize fraud by reporting it to those who can handle it (Hariawan et al., 2020).

Financial Pressure

Encompassing individuals to commit fraud Financial Pressure can be exemplified such as the urgent need to pay debts, luxurious lifestyles to other financial problems (Pamungkas, 2024).

Fraudulent Behaviour

Fraudulent Behaviour are deliberate actions by one or more individuals, actions taken by one or more for the benefit of themselves or other parties which result in harming the company financially or non-financially which can lead to company bankruptcy and public distrust of the company (Sihombing et al., 2023).

Good Corporate Governance

Good Corporate Governance is defined as a set of rules governing the relationship between shareholders, management, creditors, government, employees and other external and internal stakeholders relating to them or in other words a system that directs and controls the company.

Hypotheses development

Whistleblowing System is a system contained in the company that is structured to manage the company's resources, both human, infrastructure and company finances with anonymous complaint handling. The Whistleblowing System can optimize the role in uncovering fraud or other types of violations, this Whistleblowing System protects the reporter's information and each complaint will be followed up by a team that has been determined by the company according to the provisions. meaning that the better the management of the Whistleblowing System in the company, the more reluctant individual workers will commit fraud. This is in line with research (L. Azizah & Priantinah, 2022) which conducted research on the State Treasury Manager of the Ministry of Finance Jakarta.

H₁: Whistleblowing System has a negative effect on Fraud.

Financial Pressure is a financial push that results in fraud, so it can also be interpreted as a financial problem that a person resolves by cheating by stealing money and assets This research is in line with research (Indraswari & Yuniasih, 2022) which conducted its research on LPD Mengwi

JOURNAL OF ACCOUNTING AND AUDITING

VOL. 1. No. 3 ; April (2025)
E-ISSN : 3090-2401

District, research (Suprpta & Padnyawati, 2021) on LPD Tampaksiring Gianyar District. which states that Financial Pressure has a positive effect, which means that the more individuals experience Financial Pressure, the less fraud will occur

H₂: Financial Pressure has a positive effect on Fraud.

Whistleblowing System is a mechanism that can reveal fraud. The Whistleblowing System is triggered by the justification that fraudulent acts committed are considered correct and common actions. This research is in line with research (L. Azizah & Priantinah, 2022) which conducted research on the State Treasury Manager of the Ministry of Finance Jakarta, which means that the better the implementation of the Whistleblowing System, the less fraud will occur, while according to research conducted (Maulida & Bayunitri, 2021) which conducted its research on Bank Jabar Banten Bandung branch office, (Hariawan et al., 2020) on the Village of Klungkung District and (Akhyaar et al., 2022) on the Village Management Agency of Bansung District, 2020) on Klungkung District Village and (Akhyaar et al., 2022) on the Village Management Agency of Bansari District which states that the Whistleblowing System has a positive effect, which means that the better the company's Whistleblowing System, the more fraud occurs in the company.

H₃: Whistleblowing System has a positive effect

Fraud can be committed at any time in a company and is driven by individual behavior and Financial Pressure is one of the things that encourages someone to act fraudulently. Financial Pressure is an economic impulse and encourages fraud given the needs that must be met From the explanation above, the researcher takes the hypothesis

H₄: Good Corporate Governance strengthens Financial Pressure on Fraudulent Behaviour

RESEARCH METHOD

The research sample is employees from staff till managers The variables used in this study are as follows:

Table 1. variable Measurement

No	Variabel	Dimensi	Indikator	Source
1.	Whistleblowing System	Structural Aspect	1. Participate actively	(Melindawati et al., 2023)
			2. Not afraid to report cheating	
			3. Managed by independent special officers	
		Operational Aspect	1. Financial leaders involved	
			2. Using anonym	
			3. Dare to report not cheating	
			4. Dedicated channels are available for reporting	
			5. Cheating, receiving related information Handling of Violation Report Results	

		Maintenance aspect	1. 1. Evaluation and improvement in the improvement of the Whistleblowing System program	
2	Financial Pressure	Pressure on existing loan	1. Pressure on loans	(Azizah et al., 2024)
		Pressure on saving money	2. Pressure to save money	
		Pressure on determining money	3. Burdened in determining the use of money	
3	Fraudulent Behaviour	Personal Internal Fraud	1. Capabilities	(Artika & Faisal, 2024)
			2. Rationalitation	
			3. Ego	
		Opportunities Fraud Internal	1. Stimulus	
			2. Opportunities	
			3. Collusion	
4	Good Corporate Governance	Transparation	1. Disclosure of information	(Ridhiana, 2022)
			2. Financial Statements are reported in a timely manner	
		Akuntability	1. Clarify	
			2. Adjustments between divisions	
		Respontibility	1. Compliance with principles	
			2. Employees are encouraged to be responsible	
			3. The company is responsible for the surrounding environment	
		Independent	1. The company relieves the pressure and clash of other parties	
			2. The Company has complied with applicable principles	
		Fairness	1. Fairness of input, opportunity and rights	
			2. Implement the principle of equality	

The data analysis method used in this study was the Partial Least Square (PLS) methodology. PLS is a structural equation modeling (SEM) solution method that is better suited for this study than other SEM approaches.

$$FB = \beta_0 + \beta_1 WS + \beta_2 TF + \beta_3 WS * GCG + \beta_4 TK * GCG + \varepsilon$$

Results

This researcher in PT X were selected as samples for this study. With 170 male and 50 female respondents, the majority of respondents were between the ages of 22-25 years old. Most of them, 150 had a graduate in High School. In addition to respondents mostly who have been in their current roles for 3-5 years.

Normality Testing, Convergent Validity and Reliability Testing

The fundamental assumption of multivariate analysis is normality. The data are considered normal if the skewness value is in the range of ± 1.96 at a significance of 0.05 (Hair et al., 2018). The data is deemed normal since, according to the table, the normality test indicates that each variable's skewness value is less than 1.96. In the meantime, the data processing findings demonstrated that all indicators and dimensions created latent variables, with loading factors > 0.7 and AVE > 0.5 meeting the validity of convergence (Hair et al., 2019). Additionally, the reliability test revealed that each variable had Cronbach's alpha and composite reliability values greater than 0.7, indicating the dependability of the data. All things considered, the assessment of the measurement model (outer model) verifies that all dimensions and indicators originate from latent variables.

The Hypothesis Test

Assuming that good corporate governance is the moderator, the test employs a moderated regression analysis. Whistleblowing System systems and Financial Pressure cannot be independent variables on their own; rather, they only work in conjunction with other independent variables, such as Fraudulent Behavior. (Sharma and others, 1981).

Table 2.

T test results (Individual) $FB = \beta_0 + \beta_1 WS + \beta_2 TF + \beta_3 WS * GCG + \beta_4 TK * GCG + \varepsilon$

Path Structure	Directions	Original Sample	P Values
WBS -> TK	-	-0.004	0.584
TF -> TK	+	0.006	0.495
WBS*GCG -> TK	-	-0.004	0.551
TF*GCG -> TK	+	0.006	0.551
R-Square			0.990
Adjusted R-Square			0.990

Source: SmartPLS Data Processing Results

explanatory

Based on the table above, the results of the R^2 value for the fraud variable obtained a value of 0.990 and an Adjust R-Square value of 0.990 which can be stated to be in the good category, this

shows that the Whistleblowing System, Financial Pressure on Fraudulent Acts moderated by the Good Corporate Governance variable contributed 99% while the remaining 1% was explained by other variables not in this study.

Discussions

Whistleblowing System has a negative and insignificant effect on Fraudulent Behaviour

In this research object, the company has undergone the implementation of a whistleblowing system if so that it can be known indirectly that the implementation of the whistleblowing system in the company is running well without any obstacles. PT Advantage SCM implements a good and managed whistleblowing system because this company is engaged in services related to money and customer trust, quite often there are several cases where employees dare to act fraudulently but some colleagues are reluctant to convey these fraudulent actions directly because of their job status or are afraid of being bullied for damaging one's career, especially their seniors, so the implementation of a whistleblowing system is carried out and the whistleblower's identity will be kept secret and if the fraud actually occurs the whistleblower will get a reward from the company

Financial Pressure has a positive effect on fraudulent behaviour

In this study, it shows that Financial Pressure has a positive but insignificant effect on fraud. This research is in line with research conducted (Indraswari & Yuniasih, 2022) which conducted its research on the object of Village Credit Institutions in Mengwi District. According to (Suprpta & Padnyawati, 2021) Financial Pressure is an aspect that begins in a situation where someone commits fraud that comes from that person can be caused by the work area, then the emergence of economic problems, the need for wealth and a luxurious lifestyle become the motivation for someone to commit fraud. In this study it can be concluded that if Financial Pressure decreases, Fraudulent Acts will decrease and vice versa if Financial Pressure increases, the Fraudulent Acts that occur will increase.

Good Corporate Governanc strengthen the negative relationship between Whistleblowing System on Fraudulent Behaviour

the implementation of the Whistleblowing System in the company is very good. The application of Good Corporate Governance to the object of this research makes it avoid fraud because it realizes the integrity that exists in individuals and this is supported by the respondents' answers to the integrity dimension with the largest range of answers, namely agree. Thus it can be seen that Good Corporate Governance acts as a moderating variable that can strengthen the relationship between the Whistleblowing System and Fraudulent Acts. With the implementation of good corporate governance, the company can implement a good whistleblowing system and reduce fraud.

Good Corporate Governance may not strengthen the relationship between Financial Pressure and Fraudulent behaviour

In this study, Good Corporate Governance does not strengthen the relationship between Financial Pressure on Fraudulent Acts. Basically, some individuals, if they experience financial pressure, will take any action to support their needs, one of which is committing fraud. Good corporate governance is able to reduce fraudulent acts in the company because corporate governance is closely related to the nature of openness, non-discrimination, clear responsibilities in public control (Damayanti et al., 2021)

Conclusions Whistleblowing System has a negative and statistically insignificant effect on

JOURNAL OF ACCOUNTING AND AUDITING

VOL. 1. No. 3 ; April (2025)

E-ISSN : 3090-2401

Fraudulent Acts. Financial Pressure has a positive and statistically insignificant effect on Fraud. Good Corporate Governance strengthens the relationship between the Whistleblowing System and Fraudulent Acts. Good Corporate Governance does not weaken the relationship between Financial Pressure on Fraudulent behaviour.

Theoretical implications

It is hoped that the writing of this research can add to the academic literature and can be used to develop a comprehensive theoretical model in understanding the same problem. This research can be used as a reference in examining the Whistleblowing System variable, Financial Pressure as the dependent variable, Fraudulent Acts as the independent variable and Good Corporate Governance as the moderating variable for employees.

Managerial implications

In this study, it produces findings for employees of PT Advantage SCM to provide strengthened understanding of the whistleblowing system, which with the implementation of a good whistleblowing system in the company can avoid the occurrence of fraud and the management of financial pressure can reduce a person's fraud. From this it can be effective because the fraud that occurs in the company is reduced.

Policy implications This research can help regulators to prevent or reduce fraud that may occur in companies. The government and regulators can review the standard wages of workers in accordance with the cost of living in each region.

Limitation The limitation in this study is the response of the respondents, some employees who have been contacted are difficult to take the time to fill out the questionnaire within the specified time period.

Suggestion

For future researchers, perhaps they can try other variables related to fraud such as religiosity, work culture or compensation.

Reference

- Artika, A., & Faisal, Y. (2024). The Influence Of Muamalah Fiqh , Compensation And Religiosity On Fraudulent Behaviour. *Journal Of Islamic Economy, Finance And Banking*, July, 127–141.
- Azizah, N. R. D., Mardani, R. M., & Bastomi, M. (2024). Pengaruh Financial Strain, Financial Management Behavior, Dan Childhood Consumer Experience Terhadap Financial Satisfaction (Studi Kasus Pada Mahasiswa Universitas Islam Malang). *E-Jurnal Riset Manajemen*, 13(01), 1049–1058.
- Damayanti, A. F., Tamansiswa, U. S., Primastiwi, A., & Tamansiswa, U. S. (2021). *Pengaruh Pengendalian Internal , Good Corporate Governance , Dan Sistem Pengukuran Kinerja*. 3(September), 232–245.
- Hariawan, I. M. H., Sumadi, N. K., & Erlinawati, N. W. A. (2020). Pengaruh Kompetensi Sumber Daya Manusia, Whistleblowing System Dan Moralitas Terhadap Pencegahan Kecurangan (Fraud) Dalam Pengelolaan Keuangan Desa. *Hita Akuntansi Dan Keuangan Universitas Hindu Indonesia*, 586–618.
- Meilany, M., & Winario, M. (2024). *Motives For Fraudulent Behavior In Islamic Bank : Hexagon Model Of Perspective Fraud Motif Perilaku Fraud Di Bank Syariah : Perspektif Fraud Hexagon Model*. 5(1), 55–

69.

- Melindawati, R., Faisal, Y., & Sari, E. G. (2023). *Overview Of Fraud Prevention At Mandiri Utama Finance Syariah*. 78-93.
- Pakpahan, W., & Jasmansyah, J. (2015). *Prinsio Kejujuran Dalam Perusahaan (Studi Kasus Skandal Penyimpangan Pt. Toshiba)*.
- Pamungkas, I. D. (2024). *Buku Tekanan Finansial.Pdf* (1st Ed.). Pt. Nasya Expanding Management.
- Ridhiana, S. W. (2022). *Pengaruh Internal Control Dan Organizational Culture Terhadap Fraud Prevention Yang Dimediasi Oleh Corporate Governance*.
- Sihombing, T., Magdalena, R., Naibaho, E. A. B., Pamungjas, R. Y., Purba, G. K., Duta, R. M., Lie, D., Gosang, R. I., Gunawan, T., Florencia, N., Melina, M., Ciptawan, C., Satria, F., Satria, F., Martok, Y., & Andoko, A. (2023). *Kumulasi Kasus-Kasus Audir Perusahaan*. Andi.