

# The Effect of Organizational Commitment, the Effectiveness of Internal Controls, Law Enforcement, Love of Money, and Information Asymmetries on Fraud (Empirical Study on SKPD of North Aceh Regency Government)

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## Abstract

*The purpose of this research is to examine the effect of organizational commitment, effectiveness of internal control, law enforcement, love of money, and information asymmetry on fraud at SKPD of the North Aceh Regency Government. The population of this research is all units of SKPD the North Aceh Regency which totaling 60 SKPD (180 respondents). The qualified respondents consist of 180 respondents. Data collection techniques were conducted with questionnaires. The results of this research shown that simultaneously and partially, organizational commitment, effectiveness of internal control, law enforcement, love of money, and information asymmetry affect on fraud at SKPD of the North Aceh Regency Government.*

## Keywords

organizational commitment;  
effectiveness of internal control;  
law enforcement; love of  
money; information asymmetry



## I. Introduction

In Law no. 31 of 1999 concerning Eradication of Criminal Acts of Corruption, article 2, a person who commits a criminal act of corruption is any person who unlawfully commits an act of enriching himself or another person or a corporation that can harm state finances or the state economy. Furthermore, Article 3 reads that every person who with the aim of benefiting himself or another person or a corporation, abuses the authority, opportunity or facilities available to him because of his position or position that can harm state finances or the state economy.

In Aceh Province, corrupt actions still occur in government activities. These corruptive actions (collusion, gratification, and kickbacks) usually occur during the preparation, planning, and budgeting processes. This is because these activities have not fully used an integrated planning and reporting system so that they are easy to intervene (BPKP, 2020). One such case occurred in North Aceh District. Reported via Serambi Indonesia (31/07/2019), that there has been a disrespectful dismissal of three ASN on instructions from the Minister of Home Affairs and confirmed in the Constitutional Court's decision Number 87/PUU-XVI/2018 regarding no corruption in the SKPD environment of North Aceh Regency. . This shows that there are still fraudulent practices within the North Aceh Regency government.

Another case that recently occurred is the alleged corruption case of the Samudra Pasai Islamic monument construction project with a total budget of Rp. 41.9 billion. As reported in Antara News (2021), Head of North Aceh Kajari Diah Ayu Hartati in North Aceh, said the

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state losses caused by the alleged corruption were estimated at Rp. 20 billion. The results of the expert's examination, said Diah Ayu Hartati, showed that the condition of the building was not solid because it was built not according to specifications. The Prosecutor's Office will ask to close access to the monument because it is dangerous and it is feared that it will collapse (Antara News, 2021).

Apart from this phenomenon, there are many factors that cause fraud in government, such as leadership style, compensation suitability, effectiveness of internal control, law enforcement, information asymmetry, unethical behavior, distributive justice, procedural justice, organizational commitment, organizational culture, and love of money (Didi & Kusuma, 2018; Husnurrosyidah, 2019; Permatasari et al., 2018). In this study, researchers chose several factors by looking at the factors that were considered the most influential on the occurrence of fraud.

## **II. Review of Literature**

### **2.1 Influence between Organizational Commitment and Fraud**

Steers (1985: 50) defines organizational commitment as a sense of identification (belief in organizational values), involvement (willingness to try their best for the benefit of the organization) and loyalty (the desire to remain a member of the organization concerned) expressed by an employee towards the organization. In the research of (Suarniti & Sari, 2020), organizational commitment has a negative effect on fraud. (Rifai & Mardijuwono, 2020) research also shows that organizational commitment has a positive effect on fraud prevention. In other words, the higher the commitment in the organization, the lower the acts of fraud in the company. (Primastiwi et al., 2020) further explains that if commitment to the organization is low, employees tend to work less well and will rationalize this as a natural thing due to a lack of commitment to the organization. It also means that employees are less concerned with the fate of the agency so that when the employee commits fraud, it will be considered as a matter of course.

In addition to the research above, (Hayati & Wulanditya, 2018) in their research also explain that the existence of regulations regarding the whistleblowing system (Law No. 13 of 2006 concerning Witness and Victim Protection) is expected to increase employee participation in reporting fraud. (Hayati & Wulanditya, 2018) further find that the variable organizational commitment has a positive influence on the intention to do whistle-blowing. This is because employees have a sense of ownership of the company and have little choice if they leave the company. From this research, it can be concluded that high organizational commitment can strengthen the whistleblowing system which is also related to fraud prevention.

H1: Organizational Commitment has a negative effect on fraud

### **2.2 Influence between Effectiveness of Internal Control and Fraud Tendency**

The Internal Control System within government agencies is known as a system created to support efforts so that the implementation of activities in government agencies can achieve its goals efficiently and effectively, where state financial management can be reported reliably, state assets can be managed safely, and of course encourages compliance to the laws and regulations. SPIP in its application must always pay attention to the norms of justice and propriety and consider the size, complexity and nature of the duties and functions of government agencies (General explanation of PP No. 60 of 2008). In the study of (Komala et al., 2019), which examines the effect of information asymmetry, individual morality, and internal control on the tendency fraud to prove that the internal control system has a negative

effect on fraud in the use of village funds in Utan Regency, Sumbawa District. In the research of (Pramana et al., 2020), which examines the effect of internal control, information asymmetry, and individual morality on the tendency of accounting fraud, shows that the implementation of SPIP has a significant negative effect on asset misappropriation. This means that the internal control system has a great influence on the continuity of the agency, with a good internal control system, the agency can carry out all its activities in accordance with the goals and objectives to be achieved.

Based on the research of (Fernandhytia & Muslichah, 2020), internal control has a negative influence on the tendency of accounting fraud. With the increase in internal control, it will have an impact on increasing control activities, management access, and overall management control, resulting in a decrease in the tendency of accounting fraud. Likewise in the research conducted by (Candrarin & Asih, 2019; Didi & Kusuma, 2018; Suarcaya et al., 2017) as well as research by Mudhofir and Setiawan (2020), showing that internal control has a negative effect on fraud. Thus, an organization that has a weak internal control system tends to increase the chances of fraud within the organization.

H2: Internal control has a negative effect on fraud

### **2.3 Influence between Law Enforcement and Fraud Tendency**

Law enforcement is a real action by legal subjects to the applicable law, namely by obeying the laws that exist in a country. According to Pratiwi (2020) in social life, law and society are two interrelated things that can never be separated. Through instruments, unlawful behavior is prevented and repressive measures are pursued (Tumanggor, 2019). From the aforementioned provisions, it proves the existence of new developments regulated in this Law (Purba, 2019). (Permatasari et al., 2018), which examines the analysis of factors that influence the occurrence of fraud in the government sector, shows that law enforcement has a negative effect on fraud in the government. This means that law enforcement has an important role in reducing or closing the opportunity for fraud in the government sector. (Rizky & Fitri, 2017) shows that there is an influence between law enforcement on fraud. However, this is different from the results of research conducted by (Naa & Pohan, 2019), which shows that there is no effect of law enforcement on fraud. This can be interpreted that the higher the law enforcement, the less effect on the potential for fraud. This is due to the improved performance of law enforcers. Therefore, this law enforcement variable deserves to be re-examined with this inconsistency. In the research of (Didi & Kusuma, 2018), enforcement of regulations has a significant negative effect on the tendency of fraud. In another study, (Primastiwi et al., 2020) showed the results that law enforcement had a negative effect on fraud. This means that the better law enforcement applied in a government, the lower the level of fraud in the government sector.

H3: Law enforcement has a negative effect on fraud

### **2.4 The Influence of Love for Money and Fraud Tendency**

Fraud committed by individuals or organizations is basically to get money. (Tang & Chen, 2008) revealed that love of money is the root of crime. Actions related to irregularities in the workplace such as wasting company resources, theft, sabotage, lying, and charging more expensive fees to customers. Love of money is related to some desired organizational behaviors such as high levels of job satisfaction, low employee turnover rates and undesirable organizational behaviors such as accounting fraud and others (Basri, 2014).

(Husnurrosyidah, 2019) found the results that love of money will increase the tendency of accounting fraud because people who love money always justify all means, even if by cheating. Furthermore, the research of (Muhaimin, 2021; Wicaksono & Urumsah, 2017)

found that there was a positive relationship between love of money and fraud intention. (Wicaksono & Urumsah, 2017) further explains that the love of money is an employee's attitude towards money, and does not represent a person's greed or materialism. This means that the higher the love of money, the higher the level of fraud in the government sector.

H4: Love of Money has a positive effect on fraud

### **2.5 Effect of Information Asymmetry with Fraud Tendency**

In the research of Dini et al (2017), there is a positive influence of information asymmetry on the tendency of fraud. This is confirmed by research by (Downida & Riharjo, 2017; Jannah et al., 2018; Pramana et al., 2020) which shows that information asymmetry has a positive effect on the tendency of accounting fraud. In the research of (Suarniti & Sari, 2020) it shows that information asymmetry has a positive effect on the tendency of fraud in the government sector.

Based on other research, (Nurlaeliyah & Anisykurlillah, 2017), information asymmetry has a positive influence on the tendency of accounting fraud. These results are in line with one of the problems in agency theory, namely the existence of information asymmetry between managers as agents and owners as principals. This gives rise to differences in the company's internal financial knowledge, so managers can manipulate financial statements with the aim of getting compensation or awards from the owners. This shows that the higher the information asymmetry in an agency, the greater the tendency for accounting fraud to occur.

H5: Information asymmetry has a positive effect on fraud

H6: Organizational commitment, internal control, law enforcement, love of money, and information asymmetry affect fraud

## **III. Research Methods**

### **3.1 Research Design**

This type of research is causal research (causal). A causal study is a study conducted to find the cause of one or more problems (Sekaran & Bougie, 2020). The researcher used this research design to examine the effect of organizational commitment, effectiveness of internal control, law enforcement, love of money, and information asymmetry on the tendency of fraud in the SKPD of the North Aceh Regency Government. The time horizon used in this study is cross-sectional, which is a study conducted with data collected only once (Sekaran & Bougie, 2020).

### **3.2 Population and Sample**

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and conclusions drawn (Sekaran & Bougie, 2020). The population in this study is the SKPD of the North Aceh Regency Government with a total of 60 SKPD. Respondents in this study were the Head of SKPD, Head of Finance at each SKPD and Head of Accounting at each SKPD. The respondent selection method used the census method. Census or in other words using a saturated sample. According to (Sugiyono, 2017), saturated sample is a sampling technique when all members of the population are used as samples. In addition, the researchers also added other criteria, namely: Holding positions as Head of SKPD, Head of Finance for each SKPD and Head of Accounting for each SKPD. The reason the researcher chose them was because the respondents were involved in the preparation of the budget.

### 3.3 Data Collection Method

The data used in this study is primary data. Primary data is data that refers more to information obtained from primary sources (first-hand) through surveys, interviews, focus groups, or observations (Sekaran & Bougie, 2020). Primary data obtained from field research (field research) by distributing questionnaires. Each questionnaire consists of 1 (one) dependent/bound variable, and 5 (five) independent/independent variables. The questionnaire was delivered directly to the respondent and given time to fill it out. Questionnaire answers will be collected by the researcher in accordance with the time agreed upon by the respondent.

### 3.4 Analysis Method and Hypothesis Testing Design

#### a. Analysis Method

The analytical method used in this research is multiple linear regression model. According to (Ghozali, 2013), regression analysis is a study of the dependence of the dependent variable on one or more variables with the aim of estimating or predicting the population average as well as the average value of the dependent variable and based on the known value of the independent variable. The multiple regression equation is formulated:

$$Y = + 1X1 + 2X2 + 3X3 + 4X4 + 5X5 + \square \square$$

Information:

Y : Fraud

      : Constant

      : Regression coefficient

X1 : Organizational Commitment

X2 : Effectiveness of Internal Control

X3 : Law Enforcement

X4 : Love of Money

X5 : Information Asymmetry

□ : Error

#### b. Validity and Reliability Testing

Validity test is the accuracy or accuracy of an instrument in measuring what is being measured. Validity test is often used to measure the accuracy of an item in a questionnaire or scale, whether the items on the questionnaire are appropriate in measuring what is being measured. Item validity is indicated by the existence of a correlation or support for the total item, calculations are carried out to measure the level of validity of an item and to determine whether an item is suitable for use or not. The validity of the instrument was determined by correlating the total score. The instrument can be declared valid if the results of the calculation of the correlation coefficient show a correlation coefficient of 0.3 or more (Priyatno, 2010).

Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct. Questionnaire items are said to be reliable if someone's answer to the questionnaire is consistent. Furthermore, to find out whether the questionnaire is reliable or not reliable, it uses Alpha Croanbach. The questionnaire is said to be reliable if Croanbach's Alpha > 0.60 and unreliable if it is equal to or below 0.60 (Priyatno, 2010).

#### c. Hypothesis Testing Design

To test the independent variable on the dependent variable or the effect of Organizational Commitment (X1), Effectiveness of Internal Control (X2), Law Enforcement

(X3), Love of Money (X4) and Information Asymmetry (X5) on Fraud in the SKPD of North Aceh Regency Government (Y). This can be done with the following steps:

a. Determine the hypothesis (H0) and the alternative hypothesis (Ha) as follows:

**The first hypothesis (H<sub>1</sub>)**

H01 :  $\beta_1 = 0$ ; Organizational commitment has no effect on fraud

Ha1 :  $\beta_1 \neq 0$ ; Organizational commitment affects fraud

**The second hypothesis (H<sub>2</sub>)**

H02 :  $\beta_2 = 0$ ; Internal control has no effect on fraud

Ha2 :  $\beta_2 \neq 0$ ; Internal control affects fraud

**The third hypothesis (H<sub>3</sub>)**

H03 :  $\beta_3 = 0$ ; Law enforcement has no effect on fraud

Ha3 :  $\beta_3 \neq 0$ ; Law enforcement affects fraud

**Fourth hypothesis (H<sub>4</sub>)**

H04 :  $\beta_4 = 0$ ; Love of money has no effect on fraud

Ha4 :  $\beta_4 \neq 0$ ; Love of money affects fraud

**Fifth hypothesis (H<sub>5</sub>)**

H05 :  $\beta_5 = 0$ ; Information asymmetry has no effect on fraud

Ha5 :  $\beta_5 \neq 0$ ; Information asymmetry affects fraud

b. Determine criteria for acceptance and rejection of hypotheses

The criteria for acceptance and rejection of the hypothesis are as follows:

If  $i$  ( $i = 1,2,3,4,5$ ) = 0 : H0 is accepted.

If  $i$  ( $i = 1,2,3,4,5$ )  $\neq 0$  : H0 Rejected.

H0 is accepted, meaning that the independent variable has no effect on the dependent variable, while H0 is rejected, which means that the independent variable has no effect on the dependent variable. Meanwhile, to test the independent variables together on the dependent variable, it is carried out with the following steps:

1) Determine the hypothesis (H0) and the alternative hypothesis (Ha) as follows:

a) H01 :  $\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5$ ; Organizational commitment, internal control, law enforcement, love of money, and information asymmetry simultaneously have no effect on fraud.

b) Ha1 : *There is at least one  $\beta_i$  ( $i = 1,2,3,4,5$ )  $\neq 0$*  ; Organizational commitment, internal control, law enforcement, love of money, and information asymmetry simultaneously affect fraud.

2) *Determine the criteria for acceptance and rejection of the hypothesis. The criteria for acceptance and rejection of the hypothesis are as follows:*

a) *If  $\beta_i$  ( $i = 1,2,3,4,5$ ) = 0 ; H0 is accepted.*

b) *If there is at least one  $\beta_i$  ( $i = 1,2,3,4,5$ )  $\neq 0$  ; H0 is rejected.*

H0 is accepted, meaning that the independent variables together have no effect on the independent variables, while H0 is rejected, meaning that the independent variables jointly affect the dependent variable.



## IV. Discussion

### 4.1 Results

#### a. Description and Data Analysis

Primary data collection in this study was carried out using a questionnaire by distributing it directly to respondents, namely the Head of SKPD, Head of Finance and Head of Accounting Section at 60 SKPD in North Aceh Regency Government, totaling 180 people. The questionnaires that have been completed by the respondents are then taken back for further tabulation and processing using Microsoft Excel 2007 and SPSS version 23 programs. The length of time in the data collection process ranges from two to three weeks. The number of questionnaires distributed in this study were 180 questionnaires. Of the total number of questionnaires distributed to the respondents, 180 were returned and could be used in further testing.

#### b. Characteristics of Research Respondents

The gender of male respondents there are 101 people (56.11%) and female respondents are 79 people (43.89%). For status, respondents with marital status amounted to 148 people (82.22%), unmarried status amounted to 31 people (17.22%), and widow/widower status amounted to 1 person (0.56%). For age, respondents aged less than 30 years were 12 people (6.67%), aged 31 to 40 years were 98 people (54.44%), aged 41 to 50 years were 65 people (36.11), and aged over 50 years were 5 people (2.78%). For education, respondents with Diploma education is 15 people (8.33%), Bachelor education is 142 people (78.89%), Master education is 21 people (11.67%), and Doctoral education is 2 people (1.11%).

#### c. Validity and Reliability Test

Validity testing was carried out to ensure that each item in the research instrument was able to measure the variables specified in this study. Based on the results of data processing (attached) all statements are said to be valid if the instrument has a value of  $r_{count} > r_{table}$ . The  $r_{table}$  value obtained is 0.1620. While reliability testing aims to test the consistency of the questionnaire used in this study, by calculating the value of Cronbach's alpha. The criteria used are:

**Table 1.** Validity and Reliability Test Results

Variable	Question Items	Rcount Validity Test	Description	Cronbach Alpha. Reliability Test	Description
Y	KF1	0.844	Valid	0.95	Reliable
	KF2	0.917			
	KF3	0.938			
	KF4	0.7			
	KF5	0.716			
	KF6	0.844			
	KF7	0.911			
	KF8	0.932			
	KF9	0.805			
X1	KO1	0.927	Valid	0.972	Reliable
	KO2	0.935			
	KO3	0.912			

	KO4	0.908			
	KO5	0.909			
	KO6	0.903			
	KO7	0.915			
	KO8	0.911			
X2	PI1	0.942	Valid	0.961	Reliable
	PI2	0.931			
	PI3	0.919			
	PI4	0.934			
	PI5	0.948			
X3	PH1	0.879	Valid	0.937	Reliable
	PH2	0.909			
	PH3	0.884			
	PH4	0.908			
	PH5	0.901			
X4	KU1	0.866	Valid	0.974	Reliable
	KU2	0.968			
	KU3	0.968			
	KU4	0.867			
	KU5	0.968			
	KU6	0.883			
	KU7	0.968			
	KU8	0.922			
	KU9	0.834			
X5	AI1	0.939	Valid	0.933	Reliable
	AI2	0.92			
	AI3	0.877			
	AI4	0.879			
	AI5	0.818			

Based on table 1 from the validity test of each statement item, the value of  $r_{count} > r_{table}$  which means that all questionnaire instruments are valid. Meanwhile, from the reliability test, the Cronbach alpha value  $> 0.6$  means that the statement item is reliable.

#### d. Analysis of the Effect of Organizational Commitment, Effectiveness of Internal Control, Law Enforcement, Love of Money and Information Asymmetry on SKPD Fraud Tendencies

**Table 2.** Effect of Independent Variables on Dependent Variables  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,590	.451		3,528	.001
X1	-.179	.037	-.243	-4,897	.000
X2	-.073	.039	-.111	-1.898	.059
X3	-.031	.059	-.038	-.519	.604



X4	.315	.058	.370	5.469	.000
X5	.200	.069	.243	2,916	.004

a. Dependent Variable: Y

Based on Table 2, it is found that the independent variables in the study have a negative and positive influence on the dependent variable. The model obtained is as follows:

$$Y = 1.590 - 0.179X1 - 0.073X2 - 0.031X3 + 0.315 X4 + 0.200 X5 + e$$

Based on the results of the previous regression equation, it can be explained that:

1. The regression coefficient for Organizational Commitment is -0.179, this indicates that there is a negative relationship between Organizational Commitment and Fraud Tendency, where the greater the Organizational Commitment, the lower the Fraud Tendency.
2. The regression coefficient of Internal Control is -0.073, this indicates that there is a negative relationship between Internal Control and Fraud Tendency where the greater the Internal Control, the lower the Fraud Tendency.
3. The regression coefficient for Law Enforcement is -0.031, this indicates that there is a negative relationship between Law Enforcement and Fraud Tendency, where the greater the Law Enforcement, the lower the Fraud Tendency.
4. The regression coefficient for Love of Money is 0.315, this indicates that there is a positive relationship between Love of Money and the tendency of fraud, where the greater the love of money, the greater the tendency to fraud.
5. The regression coefficient of Information Asymmetry is 0.200, this indicates that there is a positive relationship between Information Asymmetry and Fraud Tendency, where the greater the Information Asymmetry, the greater the Fraud Tendency.

## e. Hypothesis Testing Results

### 1. Simultaneous Test

To answer the research problem whether organizational commitment, organizational ethics, compensation fairness, and internal control systems have an effect on fraud, jointly testing the following hypothesis is carried out.

The hypothesis is stated in the following form.

H01:  $\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5$ ; Organizational commitment, internal control, law enforcement, love of money, and information asymmetry simultaneously have no effect on fraud.

Ha1: *There is at least one  $\beta_i$  ( $i = 1,2,3,4,5$ )  $\neq 0$* ; Organizational commitment, internal control, law enforcement, love of money, and information asymmetry simultaneously affect fraud.

Based on Table 2, the results of the simultaneous test of all variables (whether organizational commitment, internal control effectiveness, law enforcement, love of money, and information asymmetry) can affect the fraud variable. It is obtained that the value of  $\beta_1, \beta_2, \beta_3, \beta_4$ , and  $\beta_5$  each is equal to -0.179, -0.073, -0.031, -0.315, and -0.200 which is not equal to 0, this means that the hypothesis rejects H0 and accepts H1 with the conclusion that organizational commitment, effectiveness of internal control, law enforcement, love for money, and information asymmetry simultaneously affect fraud. The simultaneous influence value obtained is 0.760 (R-square) which means that only 76.0% of the independent variables in this study are able to explain the dependent variable, while the rest are explained by other variables outside the study.

## 2. Partial Test Results

To examine the effect of organizational commitment, effectiveness of internal control, law enforcement, love of money, and information asymmetry on fraud, it can be seen partially by drawing direct conclusions from the regression coefficient values of each variable. The calculation results show that the magnitude of the coefficient value for each variable is as follows:

- a. The results of research on organizational commitment (X1) obtained the coefficient value ( $\beta_1$ ) of -0.179. The results of this calculation show that  $\beta_1 \neq 0$ . So the results of this study reject H01. Thus, it can be said that, partially, the organizational commitment variable has a negative effect on fraud performance.
- b. The results of the study on the effectiveness of internal control (X2) obtained the coefficient value ( $\beta_2$ ) of -0.073. The results of this calculation show that  $\beta_2 \neq 0$ . So the results of this study reject H02. Thus, it can be said that, partially, the internal control effectiveness variable has a negative effect on fraud.
- c. The results of research on law enforcement (X3) obtained the coefficient value ( $\beta_3$ ) of -0.031. The results of this calculation show that  $\beta_3 \neq 0$ . So the results of this study reject H03. Thus, it can be said that, partially, law enforcement variables have a negative effect on fraud.
- d. The results of the study on the love of money (X4) obtained the coefficient value ( $\beta_4$ ) of -0.315. The results of this calculation show that  $\beta_4 \neq 0$ . So the results of this study reject H04. Thus, it can be said that partially the love of money variable has a negative effect on fraud.
- e. The results of research on information asymmetry (X5) obtained the coefficient value ( $\beta_5$ ) is -0.200. The results of this calculation show that  $\beta_5 \neq 0$ . So the results of this study reject H05. Thus, it can be said that partially the information asymmetry variable has a negative effect on fraud.

## 4.2 Discussion

### a. The Effect of Organizational Commitment on Fraud Tendency

The results of regression testing for the first hypothesis in this study were conducted to determine whether Organizational Commitment has an effect on Fraud Tendency. The test results show that the regression coefficient value of the Organizational Commitment variable (X1) is  $\beta_1 = -0.179$ , then  $H_0$  is rejected because the value of  $\beta_1$  is not 0, namely Organizational Commitment has an effect on Fraud Tendency. The coefficient value is -0.179, meaning that Organizational Commitment has a negative effect on Fraud Tendency. The greater the Organizational Commitment, the lower the Fraud Tendency.

### b. Effect of Internal Control on Fraud Tendency

The results of regression testing for the second hypothesis in this study were conducted to determine whether Internal Control has an effect on Fraud Tendency. The test results show that the regression coefficient of the Internal Control variable (X2) is  $\beta_2 = -0.073$ , then  $H_0$  is rejected because the value of  $\beta_2$  is not 0, that is, Internal Control has an effect on Fraud Tendency. The coefficient value is -0.073, meaning that Internal Control has a negative effect on Fraud Tendency. The greater the Internal Control, the lower the Fraud Tendency.

### c. Effect of Law Enforcement on Fraud Tendency

The results of regression testing for the third hypothesis in this study were conducted to determine whether Law Enforcement has an effect on Fraud Tendency. The test results show that the regression coefficient value of the Law Enforcement variable (X3) is  $\beta_3 = -0.031$ , then  $H_0$  is accepted because the value of  $\beta_3$  is 0, namely Law Enforcement has an effect on Fraud Tendency. The coefficient value is -0.031, meaning that Law Enforcement has a negative effect on Fraud Tendency. The greater the Law Enforcement, the lower the Fraud Tendency.

### d. The Influence of Love of Money on Fraud Tendency

The results of regression testing for the fourth hypothesis in this study were conducted to determine whether the love of money has an effect on the tendency of fraud. The test results show that the regression coefficient value of the Love of Money variable (X4) is  $\beta_4 = 0.315$ , then  $H_0$  is accepted because the value of  $\beta_4$  is 0, namely Love of Money affects the Fraud Tendency. The coefficient value is 0.315 which indicates that the love of money has a positive effect on the tendency of fraud. The greater the Love for Money, the greater the Fraud Tendency.

### e. Effect of Information Asymmetry on Fraud Tendency

The results of regression testing for the fifth hypothesis in this study were conducted to determine whether Information Asymmetry has an effect on Fraud Tendency. The test results show that the regression coefficient of the Information Asymmetry variable (X5) is  $\beta_5 = 0.200$ , then  $H_0$  is accepted because the value of  $\beta_5$  is 0, namely Information Asymmetry has an effect on Fraud Tendency. The coefficient value is 0.200 which indicates that information asymmetry has a positive effect on the tendency of fraud. The greater the information asymmetry, the greater the tendency for fraud.

## V. Conclusion

1. Organizational Commitment has an effect on Fraud Tendency.
3. Effectiveness of Internal Control has an effect on Fraud Tendency.
4. Law Enforcement affects the Fraud Tendency.
5. The Love of Money affects the Fraud Tendency.
6. Information Asymmetry has an effect on Fraud Tendency.
7. Organizational Commitment, Effectiveness of Internal Control, Law Enforcement, Love of Money, and Information Asymmetry have an effect on Fraud Tendency.

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