

PRESSURE AND OPPORTUNITY AS DRIVERS OF FRAUDULENT FINANCIAL REPORTING INTENTION: AN EXPERIMENTAL STUDY

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ABSTRAK

Penelitian ini bertujuan untuk menguji dan mendapatkan bukti empiris pengaruh tekanan dan kesempatan yang dihadapi individu manajer keuangan terhadap terjadinya kecurangan laporan keuangan. Kesempatan dan tekanan mendasarkan pada Fraud Triangle Theory, dan niat individu untuk melakukan kecurangan mendasarkan pada Theory of Planned Behaviour. Kedua teori tersebut digunakan untuk memprediksi dan menjelaskan perilaku individu dalam penelitian ini. Penelitian ini menggunakan metode eksperimen antar subjek dengan dua kelompok partisipan yaitu 132 mahasiswa Program Pendidikan Profesi Akuntansi dan 124 karyawan Badan Usaha Milik Negara. Hasil penelitian mengungkapkan bahwa terdapat perbedaan signifikan yang ditunjukkan oleh partisipan yang berada di bawah tekanan dan yang tidak, serta partisipan yang memiliki kesempatan untuk melakukan kecurangan dan yang tidak. Kedua kelompok partisipan menunjukkan hasil yang sama yaitu berniat untuk melakukan kecurangan. Implikasi praktis dari penelitian ini adalah manajemen perusahaan dapat meminimalisir terjadinya kecurangan dengan membangun pengendalian internal yang lebih efektif, menciptakan budaya organisasi yang lebih baik dan meningkatkan kesejahteraan para karyawan.

Kata kunci: pendorong kecurangan, kecurangan pelaporan keuangan, niat curang.

ABSTRACT

This study examines the challenges and possibilities that financial managers face when dealing with deceptive financial statements. The study utilizes the concepts of opportunity and pressure from the Fraud Triangle Theory, as well as the purpose of individuals to commit fraud based on the Theory of Planned Behaviour, to predict and explain individual behavior. It employs a trial technique involving two sets of participants, namely 132 students from the Accounting Professional Education Program and 124 employees from State Owned Enterprises. The study found notable distinctions between participants who experienced pressure and those who did not, as well as participants who had the chance to engage in deception and those who did not. Both sets of subjects exhibited identical results in terms of their intention to engage in fraudulent activities. The practical consequence of this study suggests that firm management can reduce fraud by implementing more efficient internal control, fostering a positive organizational culture, and enhancing employees' well-being.

Key words: drivers of fraud, fraudulent financial reporting, fraud intention.

INTRODUCTION

Financial reporting arises from management's responsibility to provide information to stakeholders (Weygandt et al., 2014). The purpose of financial reporting preparation is to convey information about the company's state. Nevertheless, a sufficient internal control mechanism is required to present respectable financial reporting. The

presence of a strong internal control system would reduce the likelihood of anomalies and improve work efficiency and the trustworthiness of financial reporting (Sorunke, 2016; Kazemian et al., 2019; Baz et al., 2016; Bekiaris and Papachristou, 2021). Simply put, the company's profitability and dependable financial reporting depend on the caliber of its personnel. The company's internal

control system may seem impressive until its consistent vulnerabilities and abuse undermine it.

The quality of human resources is also determined by social interaction. At one point, a person can be nice, truthful, and reliable, but sometimes, through socializing, the person might change and become thoughtless, manipulative, and unreliable. Personal excellence encompasses not just intellectual prowess but also moral character. Humans possess a capacity for creativity, which can be directed towards either positive or harmful purposes. Personal creativity can also be demonstrated in one's role within the company's management. In the connection between the principal and agent, management tends to take advantage of opportunities. Management also has a personal motivation, which is to strive for the best possible outcomes in their business operations to enhance their reputation (Naheb et al., 2017).

Opportunism can also be triggered by pressure and opportunity. Management is asked to prepare financial reporting based on applicable accounting standards so that the company is considered to have met the rules. On the other hand, management is made to favor accounting policies that make greater profits. Based on applicable accounting standards, management can choose alternatives for measuring and recognizing transactions in the company's business operations (Weygandt et al., 2014). Management has the right to select policies for preparing financial reports based on the process regulated by the company (Weygandt et al., 2014). Policy choices are the full right of the management, which is frequently inextricably linked to the interests of the management. This conflict of interest opens the opportunity for fraudulent action.

Fraudulent financial reporting can come from two directions: from the individuals themselves or the surrounding environment. The fraud triangle theory is well-established and often used to predict individuals committing fraud (Morales et al., 2014). If viewed in the theory, pressure and opportunity are

the individual's external force and the rationalization of the individual's internal. This study is different from other studies examining the three factors in the Fraud Triangle Theory—pressure, opportunity, and rationalization. This research only tests pressure and opportunity. However, this study in-depth tests with experimental methods to find out which external factors, either pressure or opportunity, are more dominant in influencing someone to cheat (Baz et al., 2016; Bekiaris and Papachristou, 2021).

Kazemian et al. (2019) mention that opportunity is understood as a secure feeling when cheating, while pressure means a problem perceived by an individual that drives fraud. Another study based on the same theory are Dejene (2021), Muhsin and Nurkhin (2018), and Avortri and Agbanyo (2021). Which focuses on the academic dishonesty of business students. The results of their research show that pressure and opportunity cause individuals' academic cheating behavior. Avortri and Agbanyo (2021) have been widely used as research references.

Another equally powerful theory in explaining fraudulent behavior is the Theory of Planned Behavior (Patrzek et al., 2015). The theory models show that a person's action is determined by a strong individual intention to take the actual action. Thus, both the Fraud Triangle Theory and the Theory of Planned Behavior can complement each other. The contribution of this research from a theoretical perspective combines the two theories of how pressure and opportunity can influence individuals' intentions to commit financial reporting fraud. In addition, this study wants to improve the model developed by Avortri and Agbanyo (2021).

Experimental studies conducted in this study used a between-subjects design, manipulating opportunity conditions (present versus non-existent) and stress (present versus non-existent). The study participants were 256 people, with 132 Accounting Professional Education Program students and 124 Financial Practitioners working in state-owned enterprises. The results of this study

indicate that first, there is a difference in the intention to commit fraudulent financial reporting in both conditions: with and without pressure. Second, there is a difference in intention to commit fraud in financial reporting in both conditions: with and without opportunities. In addition, the results of this study support the Fraud Triangle Theory, stating that the higher the pressure and opportunity, the higher the intention of someone to commit financial reporting fraud.

This article is organized into five parts: introduction, literature review and hypothesis development, experimental research methods, research results and discussion, and the research findings and implications.

THEORETICAL REVIEW

Fraud Triangle Theory

According to several sources (Tuanakotta, 2013; Hollow, 2014; Baz et al., 2016; Budiman et al., 2021), fraud is described as an illegal or unlawful conduct that is characterized by acts of deceit, concealment, and abuse of trust. Fraud can also be defined as any possible human cleverness utilized to obtain particular advantages by falsely representing anything by surprises, deception, cunning, or unfair behaviors towards the party being deceived (Kazemian et al., 2019; Morales et al., 2014). Amasiatu and Shah (2018) state that fraud or fraudulent activity involves an irregularity and an unlawful action with the conscious intention to deceive. Deception seeks to benefit others by suppressing facts, exerting control, and engaging in deceit. Kazemian et al. (2019) suggest that, in general, fraud can be classified into two types: fraud against organizations and fraud against organizations. Fraud against organizations refers to fraudulent activities carried out against an organization or enterprise. This deception is executed on an organization known as Fraud Behalf Organizations. Fraud on behalf of organizations refers to fraudulent activities carried out in the best interests of the organization or enterprise. This deception is con-

ducted on behalf of the organization (Bekiaris and Papachristou, 2021).

Companies that fall prey to fraud are said to be victims of fraud against organizations (Morales et al., 2014). Fraud on behalf of organizations is typically conducted by top-level management in order to distort financial statements regarding a company's performance. This is done to conceal the company's shortcomings and present a favorable image to readers of financial statements wherever feasible. As to the Association of Certified Fraud Examiners (ACFE), there is a concept called Occupational fraud, which refers to the misuse of authority or position to gain personal or group profit. This is done purposefully or as part of a systematic effort to manipulate business assets and wealth. Occupational fraud is comprised of three primary types—the initial category involves the misappropriation or misuse of assets, such as theft or misappropriation of business assets. Secondly, Corruption can also be described as the misuse of power or authority for personal benefit. Furthermore, false statements can be described as the manipulation of financial statements and other financial records of companies (Bekiaris and Papachristou, 2021; Budiman et al., 2021).

Kazemian et al. (2019) and Patrzek et al. (2015) state that there are three factors or reasons why someone commits fraud: pressure, opportunity, and rationalization. Morales et al. (2014) and Baz et al. (2016) state that individuals who abuse trust when they have personal financial problems realize that these financial problems can be secretly resolved by abusing a trust given to them.

Pressure

Pressure is a motivation or drive to commit fraud that comes both from within the individual as a perpetrator and from others around him (Kazemian et al., 2019; Tuanakotta, 2013; Baz et al., 2016). Every perpetrator of fraud will surely deal with pressures to take unethical actions. These pressures can be in the form of financial or non-financial pressures. Financial pressure is

the most important factor that causes someone to commit a crime (Sorunke, 2016; Kazemian et al., 2019; Mansor and Abdullahi, 2015).

Kazemian et al. (2019) state that there are three types of pressure—personal pressures, worker pressures, and external pressures—which are the motivations that cause fraud. Kazemian et al. (2019) and Mansor and Abdullahi (2015) state that pressure arises from the greedy nature of humans, financial and health problems faced by families, drug addiction, and gambling. However, pressure is not the reason for an individual to commit fraud.

Dimensions of pressure are also related to financial, non-financial, social, and political (Tuanakotta, 2013; Hollow, 2014). These pressures can arise when the individual feels incapacitated by a failure in his position, status, and reputation. Some empirical studies conclude that personal pressure and pressure from companies where individuals work is the main key to motivating fraud (Bekiaris and Papachristou, 2021).

Widya et al. (2017) reveal six basic categories of pressure: personal problems, liability lapses, company reversals, achievements, positions, and relationships with other employees. Kazemian et al., 2019 divide pressures into four categories: economic pressures, pressures due to bad habits, work-related pressures, and other pressures. These pressures can result in positive and negative actions. Avortri and Agbanyo (2021) state that there are indicators for pressure variables: difficult tasks, too much work, too high targets, very complicated jobs, and time constraints.

Opportunity

Opportunity can be defined as a condition where individuals feel they have the possibility to commit undetectable fraud (Kazemian et al., 2019; Morales et al., 2014). Opportunities are also the ability of an employee to spot a loophole in the organizational system and exploit it (Tuanakotta, 2013). The opportunity dimension is the

concept that individuals will take advantage of their circumstances (Sorunke, 2016; Mansor and Abdullahi, 2015; Tuanakotta, 2013).

Opportunities arise from fraud perpetrators' perceptions and beliefs that there is little chance of getting caught, and that's where fraud is much more likely to occur. Even under extreme pressure, financial fraud will not occur without opportunity (Sorunke, 2016; Tuanakotta, 2013; Bekiaris and Papachristou, 2021). Hollow (2014) suggests two aspects of the opportunity dimension: the vulnerability of manipulation inherent in the organization and the condition of the organization that guarantees fraud. There are indicators for the opportunity variable: weak oversight, frequent habits, absence or mild sanctions, and employee rotation.

Behavioral Intention

Based on the Theory of Planned Behavior, the determinants of individual behavior are the intentions or inclinations to perform or not perform an action or certain behavior. Behavioral intention can be defined as subjective possibilities of the individual, where the individual is involved in the behavior proficiency level (Patzek et al., 2015; Al-Ajam and Nor, 2013; Widya et al., 2017). The higher the inclination or intention to perform a behavior, the greater the individual will be involved in the behavior (Patzek et al., 2015; Guerrero-Dib et al., 2020). Intention or tendency towards a behavior can be described as a function of three determinants: attitude toward behavior, subjective norm or subjective behavior, and perceived behavioral control. . According to Patzek et al. (2015), there are several indicators for the Behavioral Intention dimension to conduct a behavior, which the researcher has adapted into three, which are going to be intended, will try, and will try as hard as possible.

Intention is a determinant indicator of an individual's behavior or actions (Seon and Taesoo, 2022; Guerrero-Dib et al., 2020). Intentions are part of an attitude, which can be distinguished based on behavior, goals,

time, and situation (Guerrero-Dib et al., 2020). Intention is a source of motivation or encouragement from within, which directs an individual's behavior. Some study suggests that intention is the subjective possibilities of the individual in which the individual is involved in the behavior. The intentions that exist in individuals are different. This intention depends on each individual's perceptions, situations, and conditions (Kusumawardani and Sari, 2021; Guerrero-Dib et al., 2020).

In the Theory of Planned Behavior, it is stated that the intention of individuals to take action is determined by attitudes, social influences, and facilities owned and controlled by individual actors. Attitude is an individual's positive or negative perception of something seen. Social influence is the individual acting due to the influence of the environment around the individual (Alduais and Al-Smadi, 2022; Jouda et al., 2020). Facilities owned and controlled are aspects of knowledge owned and under the perpetrator's control. This study combines two major theories, namely the Fraud Triangle Theory and the Theory of Planned Behavior, the intention of individuals to commit fraud is caused by the opportunities available and the pressures owned by individuals.

Hypothesis Development

Pressure is the main factor causing fraud. An individual may, presumably on financial problems he cannot resolve, think of committing such illegal acts as stealing cash and falsifying financial statements as a way to solve his financial problems (Sorunke, 2016; Guerrero-Dib et al., 2020; Morales et al., 2014; Murphy and Free, 2016; Christian et al., 2019). Study Guerrero-Dib et al. (2020) and Avortri and Agbanyo (2021) based on the Fraud Triangle Theory in the context of academic fraud. This study aims to examine whether the Fraud Triangle Theory variables trigger students' intention to commit academic cheating. The study's results revealed that pressure significantly affects students' intention to cheat academically.

Some study Seon and Taesoo (2022); Sorunke (2016); Dejene (2021); Muhsin and Nurkhin (2018); Hew et al. (2015) state that the pressure variable significantly influences individual intentions in the context of academic cheating. Based on empirical studies conducted by previous studies, all of which state that the pressure variable has a significant influence on behavioral intentions, the researcher formulates the hypothesis as follows:

H₁: There is a difference between the intention of individuals to commit fraud when under pressure and when not under pressure.

Opportunity is a condition where individuals can commit undetectable fraud (Kazemian et al., 2019; Sorunke, 2016; Murphy and Free, 2016). The second factor that arises from an individual's intention to commit fraud is the opportunity. Opportunity is defined as a method used by perpetrators, usually by utilizing their position in a company or organization to commit fraud (Morales et al., 2014).

Research conducted by Avortri and Agbanyo (2021), Dejene (2021) in the context of cheating in banking aims to test whether the variables contained in the Theory of Planned Behavior affect the intention of students to commit academic cheating. The results of this study stated that opportunity significantly influences students' intentions toward academic cheating.

Dejene (2021), Muhsin and Nurkhin (2018), Choo and Tan (2008) conducted a study on cheating in the academic world based on the Fraud Triangle Theory. This study examines whether the Fraud Triangle Theory variables influence students' intention to cheat in class. The study's results stated that opportunity significantly influences students' intention to cheat in class. Thus, based on the results of previous studies, all of which state that opportunity has a significant influence on behavioral intentions, the researcher formulates hypotheses or tentative assumptions as follows:

H₂: There is a difference between the intention of individuals to commit fraud when they get a chance and when they do not.

RESEARCH METHOD

Participants

In this research, there were two categories of participants. The initial participants consisted of students from the Accounting Professional Education Program who had completed an undergraduate degree in Accounting (S1). They are chosen for their understanding of business transaction cases in this experimental study. This group includes 132 people. The requirements for students to be eligible are that they have completed courses in financial accounting, management accounting, accounting information systems, auditing, forensic accounting, and fraud. The second group consists of personnel from State Owned Enterprises who were chosen for their consistent performance compared to the first group. The second group consists of 124 individuals. The requirements for practitioners who can participate include having a foundation in accounting education and working in the fields of accounting and finance or procurement.

The total number of participants was divided into four groups. The initial group (A) has no opportunity to engage in dishonest behavior. The second group (B) has the opportunity to engage in fraudulent activities. The third group (C) is a group without any risk of cheating. The fourth group (D) is a group with a potential for engaging in fraudulent activities.

Experiment Scenarios

Before conducting a real experiment, the researcher conducted an instrument trial on several Undergraduate and Master students in Accounting by assigning them to read the designed cases and statements to determine whether the student understood the case and the statement of the research instrument. Some corrections have been made as much as some sentences need to be understood.

Student participants were gathered in a classroom. The experiment was conducted for four consecutive days in the afternoon. The choice of afternoon time was because the participants had finished college, so it did not interfere with the participants' college activities. The order of the first day to the fourth day is by the order of groups A, B, C, and D. In this group, it must be done four days because the participants have different class schedules. Participants are randomly grouped and then announced to them so they know their group. Each participant was given a maximum of 15 minutes to complete the case given. The participants did not know that each group had different cases.

Practitioner participants, namely State Owned Enterprise employees, were carried out within one day in the afternoon after participants attended a meeting held by the company. The experimental cases A, B, C, and D were randomized before being distributed to participants. Participants needed to learn their group and know each code had a different case. Each participant was given 15 minutes to fill in the case. Related to research ethics, researchers guarantee the confidentiality of participants, especially employees. Therefore, in the experimental study, employee participants were not asked to write the names of employee participants and company names. Moreover, researchers and participants were also prohibited from taking photos during the experimental study. In each case, participants were asked to predict the individual behavior intentions to commit fraud in 7 modified Likert scales.

Experimental Case and Treatment Case

"Mr. X" is a financial manager of a company engaged in construction. "Mr. X" has the authority to determine financial and accounting policies that will be applied in the company. As a financial manager "Mr. X" gets a fixed monthly salary.

At the beginning of 2023, the company obtained a construction contract for the construction of telecommunication towers in

Eastern Indonesia with a value of Rp. 400 billion. This year, the company made a relatively large purchase of raw materials amounting to Rp. 50 billion. The supplier agreed to give a 10 percent discount. The supplier is willing to provide proof of purchase of the construction raw material at the amount purchased 100% or 90% after the deduction. There are two choices given by suppliers to Mr. X:

First Option: "Mr. X" is allowed to be chosen by the supplier, paying Rp. 50 billion, a 10% discount (Rp. 5 billion) is given in cash by the supplier to "Budi" personally and does not appear in company records.

Alternatively, the Second Option: "Mr. X" directly transfers Rp. Forty-five billion (i.e., Rp. 50 billion - deducted by a discount of 5 billion) means the discount will appear in company records.

Treatment A

The internal auditor's function for checking all company transactions is very strict. Frequent confirmation of parties relates to the company, including frequent confirmation to suppliers about the price of raw materials. The existence of a strong system design so that auditors can easily trace all company transactions resulting in fraud is easy to trace. So far, no corporate culture has dared to commit fraud. If there is fraud, it will be subject to sanctions, termination of employment, and legal process. Employee rotation is often done to break the chain of collusion.

Treatment B

The function of internal auditors for auditing all company transactions could be stronger. Never confirm the parties related to the company, including never confirming with the supplier about the price of raw materials. With a weak system design, all company transactions are not easy to trace by auditors; the result is that fraud is difficult to trace. Corporate culture has always been the norm if someone cheats. If there is fraud, then it is not subject to sanctions or termi-

nation of employment and is not processed by law. Employee rotation has never been done to break the chain of collusion.

Treatment C

Mr. X's family and personal life are very happy. Mr. X's work income from this company is enough to meet the necessities of life in the household and the social life of Mr. X and his family. Budi has enough savings and has no debt. Mr. X's social relations, both within and outside the company environment, are also fine. Mr. X feels comfortable with the working conditions at this company. Mr. X can always achieve the company's target because the company's target is always real. If indeed it must be overtime to complete the target work, then the company will provide substantial overtime compensation, and in completing work, the company always gives enough time.

Treatment D

Mr. X's family and personal life needs to be improved. Mr. X's work income from this company needs to be increased to meet the necessities of life in the household and the social life of Mr. X and his family. Mr. X has no savings and is in debt to repay houses and cars. Mr. X's social relations, both within and outside the company environment, could be more harmonious. Mr. X feels uncomfortable with the working conditions at this company. Mr. X always fails to reach the company's target because the company's target is too high. Suppose he has to work overtime to complete the target work. In that case, the company provides relatively small overtime compensation, and when completing work, the company always gives a little time.

Hypothesis Testing

The Mann-Whitney test was used in this study to test whether there were differences in responses from the two groups of independent data participants. This test is included in the non-parametric test. The Mann-Whitney Test was used in this study since, after testing the data, it was known

that the data was not normal. The Mann-Whirney test was chosen because it is the most powerful tool among the non-parametric test kits. Hypothesis test criteria: If the significance value of the p-value is <0.05, then the alternative hypothesis is supported.

ANALYSIS AND DISCUSSION

PPAk Student Participant Test Results

Table 1 shows the composition of the participants in each experimental group by sex. Participants were divided into Group A with no chance, Group B with a chance, Group C without pressure, and Group D with pressure, with female participants in the majority.

Table 1
Composition of Accounting Professional Student Participants

Groups	Male	Female	Total
A	17	16	33
B	13	20	33
C	14	19	33
D	12	21	33
Total	56	76	132

Source: Primary Data

Hypothesis Testing 1

Table 2 shows that the minimum scale chosen was 14 from a total of 3 indicators of desire to commit fraud or with an average scale of 4.66, and a maximum of 21 from 3 indicators of intention to commit fraud or with an average scale of 7.

Table 2
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Intention	66	14,00	21,00	19,8091	1,51745
Valid N (listwise)	66				

Source: Primary Data

Table 3 shows that the mean of group A was 19.58 for the total indicators of an

intention to commit fraud or an average of 6.52 and 20.83 for group B of the total indicators of an intention to commit fraud or an average of 6.94.

Table 4 shows that the mean of ranks A was 39.44 for the total indicators of an intention to commit fraud and 71,56 for group B of the total indicators of an intention to commit fraud.

Table 3
Group Statistics

	Group	N	Mean	Std. Deviation	Std. Error Mean
Intention	A	33	19,5818	,93672	,12631
	B	33	20,8364	1,59819	,21550

Source: Primary Data

Table 4
Ranks

	Group	N	Mean Rank	Sum of Ranks
Intention	A	33	39,44	2129,00
	B	33	71,56	3976,00
	Total	66		

Source: Primary Data

Alternative hypothesis one (H1) states that there is a difference between individuals' intention (desire) to commit fraud when there is an opportunity. The p-value significance value of 0,000 (<0.05) in table 5 can be concluded that H1 is supported.

Table 5
Test Statistics

	Intention
Mann-Whitney U	636,000
Wilcoxon W	2176,000
Z	-5,711
Asymp. Sig. (2-tailed)	,000

Source: Primary Data

H2 Hypothesis Testing

Table 6 shows that the minimum scale chosen is 6 out of 3 indicators of desire to commit fraud or with an average scale of 2

and a maximum of 21 out of 3 indicators of desire to commit fraud or with an average scale of 7.

Table 6
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Intention	66	6,00	21,00	16,0545	2,83114
Valid N (listwise)	66				

Source: Primary Data

Table 7
Group Statistics (Groups)

Group	N	Mean	Std. Deviation	Std. Error Mean
Intention C	33	14,7273	1,73690	,23420
D	33	17,3818	2,73178	,36835

Source: Primary Data

Table 7 shows that the mean for group C was 14.72 of the total indicators of an intention to commit fraud, or an average of 4.90, and 17.38 for group D of the total indicators of desire to commit fraud, or 5.79.

Table 8
Ranks

Group	N	Mean Rank	Sum of Ranks
Intention C	33	35,18	4135,00
D	33	75,82	1970,00
Total	66		

Source: Primary Data

Mann Whitney Test in table 8 shows that the mean of ranks C was 35.18 for the total indicators of an intention to commit fraud and 75.82 for group D of the total indicators of an intention to commit fraud.

Alternative hypothesis two (H2) states that there is a difference between individuals' intention (desire) to commit fraud when there is pressure. The p-value signi-

ficance value of 0,000 (<0.05) in table 9 concluded that H2 was supported.

Table 9
Test Statistics

	Group	N	Mean Rank	Sum of Ranks
Intention	C	33	35,18	4135,00
	D	33	75,82	1970,00
	Total	66		

Source: Primary Data

State Own Enterprise Employee Participant Test Results

Table 10 shows the composition of participants in the experiments of BUMN employees. Participants were divided into groups: A without a chance, B with a chance, C without, and D with pressure.

Table 10
Composition of Participants of State-Owned Enterprise Employees

Groups	Male	Female	Total
A	13	18	31
B	10	21	31
C	11	20	31
D	9	22	31
Total	43	81	124

Source: Primary Data

The total participants of SOE employees is 124, consisting of group A (31), group B (31), group C (31), and group D (31), with female participants in the majority.

Hypothesis Testing 1

Table 11 shows that the minimum scale chosen was 15 out of 3 indicators of intending to commit fraud or with an average scale of 5, and a maximum of 21 out of 3 indicators of wanting to commit fraud or with an average scale of 7.

Table 12 shows that the mean of Group A was 18.2 of the total indicators of an intention to commit fraud or an average of 6.06, and 21

Participant B of the total indicators of an intention to commit fraud, or an average of 7.

Table 11
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Intention	62	15,00	21,00	19,6000	1,88280
Valid N (listwise)	62				

Source: Primary Data

Table 12
Group Statistics (Groups)

Group	N	Mean	Std. Deviation	Std. Error Mean
IntentionA	31	18,2000	1,77847	,23981
B	31	21,0000	,00000	,00000

Source: Primary Data

Mann Whitney Test in table 13 shows that the mean of ranks A was 30.50 for the total indicators of an intention to commit fraud and 80,50 for group B of the total indicators of an intention to commit fraud.

Table 13
Ranks

Group	N	Mean Rank	Sum of Ranks
Intention A	31	30,50	4427,50
B	31	80,50	1677,50
Total	62		

Source: Primary Data

Table 14
Test Statistics

	Intention
Mann-Whitney U	137,500
Wilcoxon W	1677,500
Z	-9,006
Asymp. Sig. (2-tailed)	,000

Source: Primary Data

Alternative hypothesis one (H1) states that there is a difference between indivi-

duals' intention (desire) to commit fraud when there is an opportunity. The p-value significance value of 0,000 (<0.05) in table 14 concluded that H1 was supported.

H2 Hypothesis Testing

Table 15 shows that the minimum scale chosen was 6 out of 3 indicators of intending to commit fraud or with an average scale of 2, and a maximum of 21 of 3 indicators of wanting to commit fraud or with an average scale of 7.

Table 15
Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Intention	62	6,00	21,00	16,2364	3,27607
Valid N (listwise)	62				

Source: Primary Data

Table 16
Group Statistics (groups)

	Parti- spent	N	Mean	Std. Deviation	Std. Error Mean
Intention C	C	31	14,7273	1,73690	,23420
D	D	31	17,7455	3,75755	,50667

Source: Primary Data

Table 16 shows that the mean for Group C was 14.72 of the total indicators of an intention to commit fraud or an average of 4.90, and 17.74 for Participant D of the total indicator of a desire to commit fraud or an average of 5.91.

Table 17
Ranks

Participant	N	Mean Rank	Sum of Ranks
Intention C	31	41,30	3811,50
D	31	69,70	2293,50
Total	62		

Source: Primary Data

Mann Whitney Test in table 17 shows that the mean of ranks C was 41,30 for the

total indicators of an intention to commit fraud and 69,70 for group D of the total indicators of an intention to commit fraud.

Alternative hypothesis two (H2) states that there is a difference between individuals' intention (desire) to commit fraud when there is pressure. The p-value significance value of 0,000 (<0.05) in table 18 concluded that H2 was supported.

Table 18
Test Statistics

	Intention
Mann-Whitney U	753,500
Wilcoxon W	2293,500
Z	-4,622
Asymp. Sig. (2-tailed)	,000

Source: Primary Data

Discussion

Fraud is generally committed to achieving certain benefits by unjust tricksice. Fraud can occur when an individual abuses authority. One of the determining factors why individuals commit fraud is the opportunity. Empirical evidence from the first experiment on the student group and the second experiment on the practitioner's group shows that opportunity influences individuals to commit fraud. These results reinforce the empirical results of several previous studies, including Marcinkowski and Reid, (2019); Guerrero-Dib et al. (2020), Davis and Pesch (2013), Abdullahi and Mansor (2018), Suh et al. (2019). The average in the student and practitioner groups shows that the mean intention/desire to commit fraud is higher when there is an opportunity (compared to that with no).

The design of this study is that the individual is in a manager position with the discretion to act and a relatively large salary. The general perception is that individuals with high positions and relatively large salaries are unlikely to commit fraud. However, empirical studies prove that when these individuals have the opportunity, these individuals tend to commit fraud. The

opportunity in this study is due to a weak internal auditor function, the condition that the company never confirms existing company transactions, and a weak information system, making it very difficult to trace any fraud. Furthermore, a bad organizational culture, namely committing fraud, which is a behavior that often occurs.

Another factor is that an individual experiences a lack of stress. Empirical evidence from both experiments shows that pressure influences the intention/desire of individuals to commit fraud. The results of this study support previous studies, including Guerrero-Dib al. (2020), Hollow (2014), Mansor and Abdullahi (2015), Kazemian et al. (2019) and Avortri and Agbanyo (2021). The average in the student and practitioner groups shows that the mean intention/desire to commit fraud is higher when there is pressure than when there is no pressure.

Based on empirical studies, when individuals face severe pressure in their daily lives, it will result in behavioral deviations. In this study, some of the pressure conditions faced by individuals are the pressure of a deprived family life, income that does not meet the needs of household and social life, a relatively small amount of savings, debts that must be paid relatively every month, social relationships in the company are relatively bad, family relationships are relatively bad and less harmonious, always failing to achieve company targets, often overtime with relatively small overtime compensation, and often facing deadlines.

Furthermore, our results show that when there is an opportunity to commit fraud, employee participants tend to commit fraud at a higher rate than student participants. This tendency is possible due to the knowledge and experience of employee participants in committing fraud. However, when there is pressure, the study results show that student participants commit fraud more than employee participants. This tendency is possible because student participants' emotional intelligence is lower than that of practitioner participants. This emotional intelligence is

possible because of employee participants' age maturity and individual life experience.

In performed experimental examinations, researchers generate case scenarios involving individuals who engage in fraudulent activities. Researchers do not argue that participants engage in fraudulent behavior. Researchers think that if the scenario presented in this study involves individual individuals engaging in fraudulent behavior, the individual participants will respond by saying that they will not engage in fraud under any circumstances. People generally tend to be untruthful in this situation. When a person is asked to evaluate someone else's behavior in specific situations, they will respond based on their own feelings and thoughts. This indirectly reflects the behavior of the person being evaluated.

CONCLUSIONS AND SUGGESTIONS

Dishonest behavior is often seen in the business environment, resulting in financial losses for the company since it is typically done against the wrongdoers' own interests. Consequently, the financial reporting becomes untrustworthy as the company suffers substantial losses from fraudulent behavior that greatly reduces the company's income.

This study investigated if the chances and influences affect individuals to engage in fraudulent activities. The two studies done with groups of students and professional participants showed consistent findings that opportunity and pressure affect individuals to engage in fraudulent behavior. In general, based on the study findings, there is a correlation between the level of opportunity and pressure provided and the likelihood of engaging in cheating.

The results of this study imply that company management can alleviate the likelihood of fraud by fulfilling internal auditor duties, building individual honest behavior, imposing sanctions for proven frauds, rotating, providing adequate salaries, setting targets within reasonable limits, and giving reasonable overtime incentives.

The constraints of this investigation are, firstly, tiredness may arise in student and practitioner participants due to the experimental study being carried out in the afternoon following the conclusion of lectures for students and the execution of training organized by the company for practitioner participants. This study did not regulate the time. Additionally, there could be a superficial impact of the lecture/training content acquired before to the experimental investigation. Thus, it is recommended to conduct the proposed research in the morning, and the participants have not engaged in any activities yet.

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