

The Effect Of Love Of Money And Situational Pressure On Fraud With Self Control As A Moderating Variable

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Keywords :

Love of Money, Situational Pressure, Self-Control

Abstract

This study aims to determine the influence of love of money and situational pressure on deprivation, with self-control as a moderating variable. This study used a quantitative approach with a survey method through the distribution of questionnaires to purposively selected respondents. The sample in this study consisted of 40 respondents in 20 regional government agencies (OPD) of the Maluku Provincial Government. Data analysis used multiple linear regression analysis and moderated regression analysis (MRA).

Based on the results of multiple linear regression tests and moderation analysis in this study, a deep understanding was obtained regarding the relationship between the variables of love of money, situational pressure, self-control, and fraudulent acts in ASN in the Maluku Provincial Government. Partially, the love of money variable showed an insignificant effect on fraudulent acts, with a regression coefficient of -0.133 and a significance value of 0.244 ($p > 0.05$). Meanwhile, the results of testing the situational pressure variable showed a significant effect on fraudulent acts, with a regression coefficient of -0.441 and a significance value of 0.026 ($p < 0.05$). Furthermore, testing the role of self-control as a moderating variable showed that self-control significantly moderated the relationship between love of money and fraudulent acts, but did not significantly moderate the relationship between situational pressure and fraudulent acts. The interaction coefficient value between love of money and self-control was -0.243 with a significance value of 0.004, indicating that self-control was able to weaken the negative influence of love of money on fraudulent acts.

INTRODUCTION

Fraud remains a highly relevant and interesting topic to discuss, with cases currently circulating in the community. The Association of Certified Fraud Examiners classifies fraud into three types: financial reporting fraud, asset misappropriation, and corruption (Surjandari and Martaningtyas 2015). One of the most common types of fraud in the government sector is corruption. The word "corruption" comes from the Latin word "corruptiocorumpere," which means rotten, damaged, shaking, twisting, or bribing (Permana et al. 2017).

Indonesia is one of the countries with a high level of corruption. Data collected by Indonesian Corruption Watch shows that during 2016, there were 482 corruption cases with a total state loss of Rp 1.47 trillion (Indonesian Corruption Watch 2017). Transparency International in its 2016 survey also showed that Indonesia ranked 90th out of 176 countries measured for their level of corruption with a score of 37 (Transparency International 2016). Indonesia has reformed its finances through a package of laws consisting of Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury and Law Number 15 of 2004 concerning Audit of State Financial Management and Accountability.

Maluku is one of the poorest provinces in Indonesia. With its abundant natural resources, the government has a significant responsibility to manage these resources effectively, thus elevating

Maluku from its position as one of the poorest provinces in Indonesia. In addition to the issue of under-managed natural resources, Maluku is also plagued by various corruption issues that are detrimental to the region. Fraud in Maluku frequently occurs within the provincial government, and numerous allegations of fraud are currently under investigation by authorities, involving Maluku provincial government officials. These include the SMI (Student Student Association) fund, the alleged corruption of the head of the Maluku provincial education office, the alleged corruption of the Maluku Scout Kwarda grant, and the corruption of BOS funds involving school principals in Maluku province. Various forms of corruption within the provincial and city/district governments also frequently occur, which is why I was interested in conducting this research. By understanding the factors that influence someone to commit fraud, it is hoped that ways can be found to prevent or reduce such behavior. Therefore, this study aims to analyze the influence of love of money and situational pressure on fraudulent acts, with self-control as a moderating variable..

METHODS

Based on the objectives of this study, it is intended to obtain an overview or description of the variables studied and to verify all variables empirically. This research is quantitative. This study examines the influence of Love of Money and situational pressure on fraudulent acts, with Self-Control as a moderating variable in the Maluku Provincial Government. The purpose of this study is to determine the magnitude of the influence between the variables studied.

RESULTS AND DISCUSSION

Based on the results of the data analysis that has been carried out, it was found that in general the situational pressure variable has a significant influence on the tendency of individuals to commit fraudulent acts, while the love of money variable does not show a significant direct influence . However, when moderated by self-control , The love of money has a significant influence on fraudulent behavior. This suggests that self-control can act as a buffer against internal impulses stemming from the love of money, but it is not strong enough to withstand external, situational pressures.

Overall, the overview of the results of this study shows that to mitigate the risk of fraudulent acts in the bureaucratic work environment, it is not enough to rely solely on individual moral aspects such as self-control , but also requires systemic interventions that suppress the emergence of situational pressures, such as healthy governance, proportional workloads, and effective internal supervision.

Based on the results of multiple linear regression tests and moderation analysis in this study, a deep understanding was obtained regarding the relationship between the variables of love of money , situational pressure, self-control , and fraudulent acts among ASN in the Maluku Provincial Government. Partially, the love of money variable showed an insignificant effect on fraudulent acts, with a regression coefficient of -0.133 and a significance value of 0.244 ($p > 0.05$). These results indicate that the level of love for money is not a dominant factor in encouraging individuals to commit fraudulent acts among ASN. This finding contradicts the money ethics theory proposed by Tang (2008), which states that love of money is the root of various unethical

behaviors. This theory states that individuals who make money a core value in their lives tend to be more permissive towards deviant acts for financial gain. In addition, research by Tang and Chiu (2003) and Sari et al. (2019) shows that love of money has a significant effect on fraudulent behavior and tax evasion. However, in the context of ASN in Maluku Province, there are likely cultural values, religiosity, and a strong internal monitoring system that mitigates the impact of the love of money on fraudulent behavior, or even encourages the love of money to be actualized through legitimate means, such as hard work or career achievement.

Meanwhile, the results of testing the situational pressure variable showed a significant influence on fraudulent acts, with a regression coefficient of -0.441 and a significance value of 0.026 ($p < 0.05$). Interestingly, this negative coefficient indicates a direction of the relationship that is opposite to the initial expectation, where increased pressure should actually increase the likelihood of someone committing fraud. In the Fraud Triangle theory proposed by Cressey (1953), pressure is one of the key elements in the occurrence of fraud, whether economic, social, or psychological. However, the results of this study can be interpreted as meaning that the pressure faced by civil servants actually encourages them to increase compliance with regulations and work more carefully to avoid increasing personal burdens or risks. This also shows that pressure is not always responded to negatively, depending on the values adopted by the individual and the social environment in which they work. Support from superiors, strict supervisory regulations, and an anti-corruption organizational culture may be protective factors that prevent situational pressure from immediately giving rise to deviant acts. Pasek's (2021) research in the context of ASN also found that administrative pressure does not always result in fraud, but rather encourages work efficiency and accuracy.

CONCLUSION

This study aims to determine the influence of love of money and situational pressure on fraudulent behavior, with self-control as a moderating variable, in the Maluku Provincial Government. Based on the research results, the following conclusions can be drawn.

1. The love of money variable showed an insignificant effect on fraudulent behavior, with a regression coefficient of -0.133 and a significance value of 0.244 ($p > 0.05$). These results indicate that the level of love for money is not a dominant factor in driving individuals to commit fraudulent behavior among civil servants.
2. Situational Pressure demonstrated a significant influence on fraudulent behavior, with a regression coefficient of -0.441 and a significance value of 0.026 ($p < 0.05$). Interestingly, this negative coefficient indicates a relationship that is the opposite of the initial expectation, where increased pressure should actually increase the likelihood of someone committing fraudulent behavior.
3. Self-control as a moderating variable shows that self-control significantly moderates the relationship between love of money and fraudulent acts, but does not significantly moderate the relationship between situational pressure and fraudulent acts. The interaction coefficient value between love of money and self-control is -0.243 with a significance of 0.004, indicating that self-control is able to weaken the negative influence of love of money on fraudulent acts.

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