

Dimensions of Ethical Behavior and Trends of Accounting Chain in Banking Industry of Small City

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ABSTRACT -The study aims to determine the effect of effectiveness of internal control, compensation compatibility, information asymmetry, and morality of management to unethical behavior and tendency of fraud accounting (study on banking companies in Bengkulu city). The data used in this research is primary data, obtained by distributing questionnaires to the respondents. The results prove that effectiveness of internal control, compensation compatibility, and morality of management have negative effect on unethical behavior. Effectiveness of internal control, compensation compatibility, and morality of management have negative effect on tendency of fraud accounting, but information asymmetry has no effect on unethical behavior and tendency of fraud accounting. Unethical behavior has positive effect on tendency of fraud accounting.

Keywords: Unethical Behavior, Tendency of Fraud Accounting, suitability compensation

I. INTRODUCTION

In the business world, frauds or deviant actions from the accounting procedures often occurs, it is called accounting fraud. An example of a case in Indonesian banking is the scandal of financial report of Lippo bank in 2002, where there were differences in both financial statements that occurred due to management's manipulation and cases involving Bank Century where the bank's management conducted the policy so that the Bank's capital adequacy ratio that has been determined by the ratio of Indonesian Bank (Sumantyo 2003).

The tendency of accounting fraud can be caused by certain factors, and the tendency of accounting fraud can be explained using attribution theory. The tendency of accounting fraud committed by company management can be influenced by the unethical behavior of the management. According Fawzi (2011), unethical actions can be influenced by the presence of internal control systems and monitoring by superiors. To obtain a good monitoring result, effective internal company control is required (Wilopo 2006). Effective internal control will close the chances of unethical behavior. The tendency of accounting fraud is influenced by the presence or absence of opportunities to do so (Fawzi 2011). Smith et al. (1997) states that effective internal control reduces the tendency of accounting fraud.

Another way companies do to avoid losses caused by the unethical behavior of employees is to know how the morale of each employee. It aims to provide direction or socialization so that employees have a high mortality in

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the company (Rahmawati & Soetikno 2012). The higher level of management morality within a company, the more management tries to avoid the tendency of accounting fraud (Wilopo 2006).

Nicholson (1997) notes that the unethical behavior carried out by management can also be influenced by situations of information asymmetry. According to Prayogo (2009), the existence of information asymmetry between managers as agents and principals causes a gap in the company's internal financial knowledge, so that managers can do engineering in order to increase profits for compensation or rewards from owners. Asymmetry of information that occurs between principal and agent encourages agents to present information that is not true, especially if the information is related to the performance measurement of an agent (Wisnumurti 2010). In case of information asymmetry, the company's management manipulates the financial statements so as to improve management's compensation and reputation, as well as the financial ratios of the firm (Scott 2003).

In addition to these factors, the appropriateness of compensation is also one of the factors affecting unethical behavior. (Jensen & Meckling 1976) explain in agency theory that adequate compensation makes the agent (management) act in accordance with the wishes of the principal (shareholder), which is to provide actual information about the condition of the company. Management will act in accordance with the wishes of the principal (shareholders) if they get compensation in accordance with its performance. This compensation can reduce the tendency of accounting fraud.

The sample of this research is the banking industry, because its technology application is very sophisticated now, internal control is also tight increasingly, this is the impact of the emergence of previous cases involving accounting fraud and unethical behavior in the banking industry. Therefore, in a time when everything is getting more open, the banking industry is required to improve in good corporate governance reported in the company's GCG report. Therefore, conducting research in the banking industry is interesting, because to prove the best and the extent to which the banking industry, especially in the city of Bengkulu already anticipated about the tendency of accounting fraud and unethical behavior in the bank. Based on the above description, this research has a purpose to determine whether the effectiveness factor of internal control, suitability compensation, information asymmetry and management morality affect the tendency of accounting fraud and unethical behavior.

II. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Attribution Theory was developed by Fritz Heider who explains the theory of the cause of a person's behavior. Whether the behavior is caused by a dispositional factor (internal/external factors), such as nature, character, attitude, etc., or caused by external circumstances, such as the pressure of a situation or circumstance that forces a person to do a particular act (Luthans 2005). The factors such as internal control, management morality, information asymmetry and compensation are some of the factors responsible for fraud and unethical behavior. The internal control system is a process run to provide reasonable assurance about achieving financial report reliability, compliance with law, effectiveness, and efficiency of operations (Mulyadi 2002). With the existence of an effective control system is expected to reduce the existence of unethical behavior and accounting fraud. Compensation received by company employees may also cause the employee to behave unethically and commit accounting fraud, as inadequate or unsuitable compensation of the employee will cause the employee to do unethical and fraudulent

things to meet their life's needs. Employee morality can also affect every employee's actions, employees who have low morale even though well paid is still possible to conduct unethical behavior and do accounting fraud for self-interest. If corporate management has been or often enough to behave unethically then it is not impossible that the company's management to commit accounting fraud.

2.1. The effectiveness of Internal Control and Unethical Behavior

The effectiveness of internal control is something that affects someone's actions and behavior. With effective internal control, unethical actions will be reduced. If the effectiveness of internal control is high then the unethical behavior will decrease. Anticipating the existence of deviant actions that can be done by the management, then the owner of the company should conduct supervision on the performance of management with an effective control system. According to Griffin & Ebert (2006) ethical behavior is a behavior that conforms to generally accepted social norms with respect to acts of right and good. So unethical behavior is behavior that is not in accordance with generally accepted social norms with respect to the actions of the right and good. The researchers from Wilopo (2006); Thoyibatun (2009); show that the effectiveness of internal control negatively affects unethical behavior. Therefore, the hypothesis is proposed as follows:

H1 : The effectiveness of internal control negatively affects unethical behavior.

2.2. The effectiveness of Internal Control and Accounting Fraud Trends

The effectiveness of internal control is something that affects someone's actions and behavior. With the existence of effective internal controls will reduce the occurrence of acts of accounting fraud. The tendency of accounting fraud is influenced by the presence or absence of opportunities to do so, uch opportunities can be minimized by effective internal controls. Smith, Tiras, et al. (1997) state that effective internal control reduces the tendency of accounting fraud. The AICPA explains that internal control is very important, among others, to provide protection for the entity against human weakness and to reduce the possibility of errors and actions that are not in accordance with the rules (Wilopo 2006). COSO explains that the development of a company, the task of management to control the running of the company becomes heavy increasingly. In order to achieve the established objectives, the security of the company's property is guaranteed and the operations can be run effectively and efficiently, it is necessary to establish a good and effective internal control structure to prevent accounting fraud (Wilopo 2006). Some result from this issue show that the effectiveness of internal controls negatively affects the tendency of accounting fraud. Therefore, the hypothesis is proposed as follows:

H2 : The effectiveness of internal controls negatively affects the tendency of accounting fraud.

2.3. Suitability Compensation and Unethical Behaviour

Hasibuan (2009) describes compensation is all income in the form of money or goods directly or indirectly received by employees in return for services provided to the company. Compensation is intended for management to act according to the wishes of the owner of the company and not doing deviant acts such as the existence of unethical behavior. The deviant action is expected to decrease in the presence of a given compensation system. Appropriate compensation becomes a very important part of employee performance and organizational success

(Luthans 2005).Thoyibatun (2009) shows that suitability compensation has negatively affects to unethical behavior. Therefore, the hypothesis is proposed as follows:

H3 : suitability compensation has negatively affects unethical behavior

2.4. Suitability Compensation and Tendency of Accounting Fraud

A person's fraudulent actions are caused by a desire to maximize personal gain. These actions are driven by individual dissatisfaction with the rewards that they earn from the work they do. Conversely, appropriate compensation is expected to make a person feel fulfilled so that they do not take actions that harm the company including accounting fraud, among others, by presenting financial reports that are beneficial to them. Jensen & Meckling (1976) explain in agency theory that adequate compensation makes the agent (management) act in accordance with the wishes of the principal (shareholder), which is to provide actual information about the condition of the company. This compensation can reduce the tendency of accounting fraud. Thoyibatun (2009); Randa & Meliana (2009) show that the suitability compensation has a negative effect on the tendency of accounting fraud. Therefore, the hypothesis is proposed as follows:

H4: Compensation suitability negatively affects the tendency of accounting fraud

2.5. Information Asymmetry and Unethical Behavior

Information asymmetry is an imbalance of information held by principals and agents when the principal does not have sufficient information about agency performance, otherwise, the agent has more information about the capacity of the self, the work environment and the company as a whole(Widyaningdyah 2001). This information asymmetry makes management exploit unsuitable information for their benefit as well as harming outsiders, such as bias information related to investors (Scott 2003). Michael et al. (2001) suggest that the existence of information asymmetry will lead to dysfunctional behavioral problems for agents (enterprise management). Wilopo (2006) show the relationship between information asymmetry and unethical behavior, both undertaken by subordinates and outsiders (external auditors). Hadi et al. (2015) show that information asymmetry positively affects unethical behavior. Therefore, the hypothesis is proposed as follows:

H5. Information asymmetry has a positive effect on unethical behavior

2.6. Information Asymmetry and Tendency of Accounting Fraud

Information asymmetry arises because the principal does not have sufficient information about the performance of agents and agents has more information about the company as a whole (Nasution & Setiawan 2007). The information asymmetry that occurs between the principal and the agent encourages the agent to present information that is not true, especially if the information is related to the performance measurement of the agent. This spurred agents to figure out how accounting numbers can be used as a means to maximize their self-interest. In the case of information asymmetry, company management biases or manipulates financial statements so as to improve management compensation and reputation, as well as company financial ratios (Scott 2003). Wilopo

(2006); Hadi et al. (2015); Randa & Meliana (2009) show that information asymmetry has a positive effect on the tendency of accounting fraud. Therefore, the hypothesis is proposed as follows:

H6. Information asymmetry positively influences the tendency of accounting fraud

2.7. Morality of Management and Unethical Behavior

Morality is something that affects one's actions and behavior. With good morality then management is expected to act according to the company's wishes and avoid deviant actions (unethical behavior). So in a company, the morality of management has an influence on unethical behavior by the company. The results of Goolsby & Hunt (1992) show that the development of moral knowledge becomes an indication of ethically and positively making decisions related to social responsibility behavior. This study argues that the higher level of management morality, the lower the unethical behavior. The previous researches show that management morality negatively affects unethical behavior. Therefore, the hypothesis is proposed as follows:

H7. Management morality negatively affects unethical behavior

2.8. Morality of Management and Tendency of Accounting Fraud

The tendency of accounting fraud is also influenced by the morality of the people involved. Kohlberg's theory of moral development in Wilopo (2006) states that morality evolves through three stages, namely pre-conventional stages, conventional stages, and post-conventional stages. Management morality at the post-conventional stage shows a high morale of management. The higher stages in management morality, the more cautious the manager will be in their actions that can harm the interests of shareholders. Thus, the higher level of management morality in a company, the more management tries to avoid the tendency of accounting fraud. (Randa & Meliana 2009) and (Rahmawati & Soetikno 2012) show that management morality negatively affects the tendency of accounting fraud. Based on the explanation and previous research, the researchers draw the conclusion that the morality of management has a negative effect on the tendency of accounting fraud, therefore the hypothesis is proposed as follows:

H8: Management morality negatively affects the tendency of accounting fraud

2.9. Unethical Behavior and Fraudulent Accounting Trends

The statement of Wilopo (2006) which states that the lower the employee behave unethically, the lower the tendency of fraud, or in other words the higher the employees behave ethically, the higher the employees do not fraud, which means affecting fraud prevention. So it can be said that the higher the employees behave unethically, the higher tendency to commit accounting fraud. The ethical principle of a management is represented by the behavior of management in the management of the company. If the behavior shown by management tends to be unethical it can lead to accounting fraud. Various studies and facts, such as by Tang & Chiu (2003) show that unethical behavior in the form of abuse of authority and power, position, and resources of the company, encourage management to commit accounting fraud. The previous research shows that unethical behavior has a positive effect on the tendency of accounting fraud. Therefore, the hypothesis is proposed as follows:

H9: Unethical behavior has a positive effect on the tendency of accounting fraud

III. RESEARCH METHOD

3.1. Types of Research

This research is included in the type of quantitative research, which is interpreted as a research method based on the philosophy of positivism, used to examine the population or a particular sample with the aim to test the hypothesis that has been set.

3.2. Operational Definition and Measurement of Variables

Tendency are defined as "inclination, passion, desire, joy of will". The Association of Certified Fraud Examiners (ACFE) classifies fraud in several classifications, and is known as "Fraud Tree": financial reporting fraud, asset abuse, and corruption. An indicator of the tendency of accounting fraud is the tendency to commit fraud on financial statements, corruption and misuse of assets as explained by ACFE. Indicators of unethical behavior variables are management behavior that abuses position (abuse position), management behavior that abuses organizational resources(abuse resources), management behavior that abuses power, management behavior that does not do anything (no action). Indicators of the effectiveness of internal control use five main components of bank internal control according to supplement SE No.5 / 22 / DPNP Internal Control System Standard Guidelines for Commercial Banks issued by BI dated September 29, 2003, namely Supervision by Management Oversight and Control Culture, Risk Recognition and Assessment, Control Activities and Segregation of Duties, Accountancy, Information and Communication Systems, as well as Monitoring Activities and Correcting Deficiencies Monitoring Activities and Correcting Activities (Monitoring Activities and Correcting Deficiencies). Indicators of suitability compensationvariable are basic salary, variable salaries (such as bonuses and incentives), and benefits (such as health insurance and facilities). The suitability compensationvariable was measured using a questionnaire consisting of ten statement items adopted from Wilopo (2006) and adapted by this research.

Variables of information asymmetry were measured using a questionnaire consisting of seven statement items adopted from Wilopo (2006) and adjusted by this research. The variable of management morality is measured from six statement items adopted from Wilopo (2006) and adapted by researchers that measure each stage of management morality through accounting ethics cases. The indicators of measuring management morality seen in the stages of moral development are pre-conventional, conventional, and post-conventional levels. The measurement result of this accounting ethics dilemma is a reflection of the company's management morality.

3.3. Population and Sample

Population in this research is all employee of accountancy and finance section at the conventional bank in Bengkulu city. The sample in this research is determined by using purposive sampling technique. Criteria of respondents who are determined for this study is the head and employees of the accounting and finance banks.

IV. RESULTS

4.1. Descriptive statistics

The results of the descriptive statistical measurements of all variables from 50 respondents are seen in the theoretical range which is the value measured from the highest or lowest score multiplied by the number of statements, whereas the actual range is the score from the lowest to the highest, the mean is the result summing the value of all data divided by a lot of data. The following is a table of descriptive statistics results can be seen below:

Table 1.Descriptive statistic

Variable	N	Theoretical Range		<i>Theoretical Mean</i>	Actual Range		<i>Actual Mean</i>	Std. Deviation
		Min	Maks		Min	Maks		
The effectiveness of Internal Control	50	8	40	24	8	20	13,38	3,374
Compensation Fitness	50	10	50	30	37	50	42,20	4,347
Information Asymmetry	50	7	35	21	23	35	29,10	3,358
Management Morality	50	6	30	18	6	15	10,58	2,785
Unethical Behavior	50	5	25	15	5	14	8,72	2,681
The Tendency of Accounting Fraud	50	5	25	15	5	11	8,24	2,352

Based on the above table, the effectiveness variable of internal control has a theoretical average value of 24, while for the actual average range of 13.38 and the standard deviation of 3.374. The actual value of the minimum range of 8 and a maximum of 20 indicates that the respondent's answer on the effectiveness of internal control variables in the range of numbers 1 and 2 which means that respondents rate strongly disagree and do not agree to have less effective control. The actual average value below the averaged theoretical value indicates that the average respondent's answer rate does not agree that the banking company has less effective controls. This shows that internal controls in the banking company where the respondent's work are effective.

The suitability compensation variable has a mean theoretical value of 30, while for the actual average range of 42.20 and the standard deviation of 4.347. The actual value of the actual range of at least 37 and a maximum of 50 indicates that the respondent's answer on the suitability compensation variables the range of numbers 3 and 5 which means that respondents rate agree and strongly agree the compensation they receive is appropriate. The actual average value above the averaged theoretical value indicates that the average respondent's answer rate agrees that the compensation they receive from the banking company they work for is appropriate.

The information asymmetry variable has a theoretical average value of 21, while for the actual average range of 29.10 and the standard deviation of 3.358. The actual value of the minimum range of 23 and a maximum of 35 indicates that the respondent's answer on the variable asymmetry of information in the range of numbers 3 and 5 which means that the respondent's rate agrees and strongly agree that there is a high enough information asymmetry. The actual average value above the theoretical averages, this indicates that the average respondent's answer rate agreed that there is a high enough information asymmetry in the banking company where the respondent works.

The variable of management morality has a theoretical average value of 18, while for the actual average range of 25.42 and the standard deviation of 2.785. The actual value of the minimum range of 6 and a maximum of 15 indicates that the respondent's answer on the variable of management morality in the range of numbers 1 and 2 which means that respondents rate strongly disagree and disagree has a bad management morality. The actual average value below the theoretical averages indicates that the average respondent's answer does not agree that the employee has poor management morality, thus indicating that the morale of management and employees in the banking company where the respondent works is good.

The variable of unethical behavior has a theoretical average value of 15, while for the actual average range of 8.72 and the standard deviation of 2.681. The actual range of a minimum value of 5 and a maximum of 14 indicates that the respondent's answer on the variable of unethical behavior in the range of numbers 1 and 2 which means that respondents rate strongly disagree and disagree having behavior that is less ethical. The actual average value well below the theoretical averages indicates that the respondents' answers are so low that respondents rated employee behavior in the banking company in which the respondent worked was ethical.

The variables of accounting fraud tendency have a mean theoretical value of 15, while for the actual average range of 8.24 and the standard deviation of 2.352. The value of the actual range of a minimum of 5 and a maximum of 11 indicates that the respondent's answer on the variables tendency of accounting fraud in the range of numbers 1 and 2 which means that respondents judge strongly disagree and disagree ever happened accounting fraud in the company where respondents work. The actual average value is below the theoretical average value, this indicates that the respondent's answer is very low, so the respondent considers that very low or very little possibility of accounting fraud in the banking company where the respondents work.

4.2. Data analysis

Evaluation of the Outer Model

This research uses structural equation model which is analyzed by using SmartPLS 2.0 M3 program. Outer/measurement model (measurement model) is used to determine the validity and reliability that connect indicators with latent variables. Outer model evaluation is conducted by using PLS Algorithm. Convergent validity of measurement model with reflective indicator can be seen from the correlation between score item/indicator with construct score. Individual indicators are considered reliable if they have a correlation value above 0.7.

The Figure below shows the result view of PLS Algorithm. In the figure shows that all indicators have scores above 0.70 except indicator EPI2, EPI8, KK6, KK7, KK8, and PTE2 which score less than 0.70. The model is re-estimated again by eliminating the indicator.

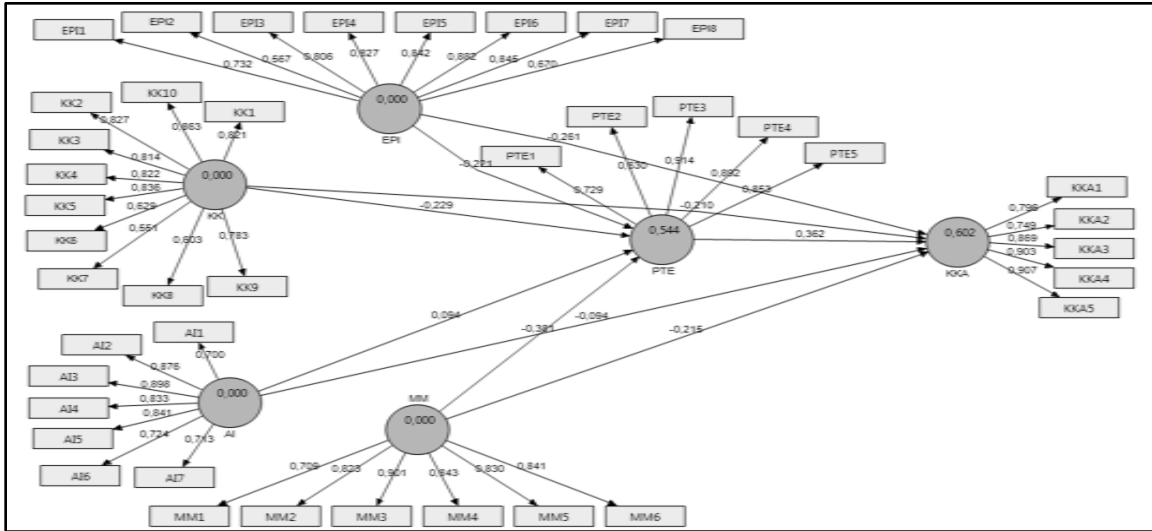


Figure 1.:Display Results of PLS Algorithm Before Elimination

The image above shows the result view of the PLS Algorithm after the indicator is eliminated and the re-estimation model. all indicators have scores above 0.70 unless the PTE1 indicator which has a score less than 0.70 that was before was eliminated had a score of more than 0.70 but after elimination had a score of less than 0.70. The model is re-estimated again by eliminating the indicator

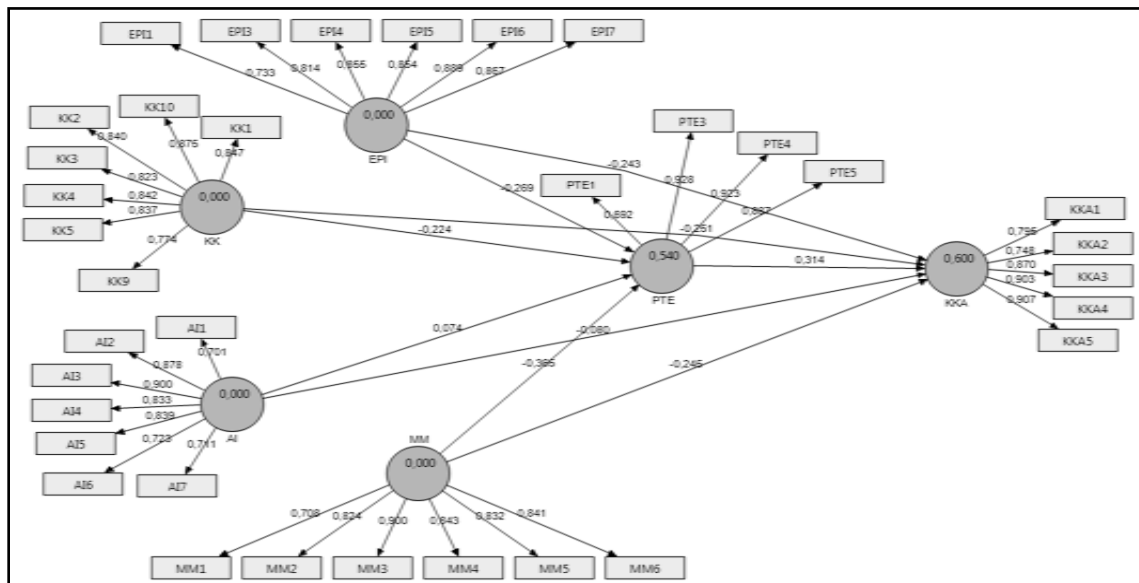


Figure 2: Display Results of PLS Algorithm after Elimination 1

The Figure above shows that all indicators have scores above 0.70 and no more indicators have scored less than 0.70. For more details can be seen in Appendix 2 Table Outer Loading after Elimination 2. Based on Figure 4.2 it can be concluded that the construct has met the criteria of convergent validity. So for the next stage or test the indicators EPI2, EPI8, KK6, KK7, KK8, PTE1, and PTE2 are not included in the model.

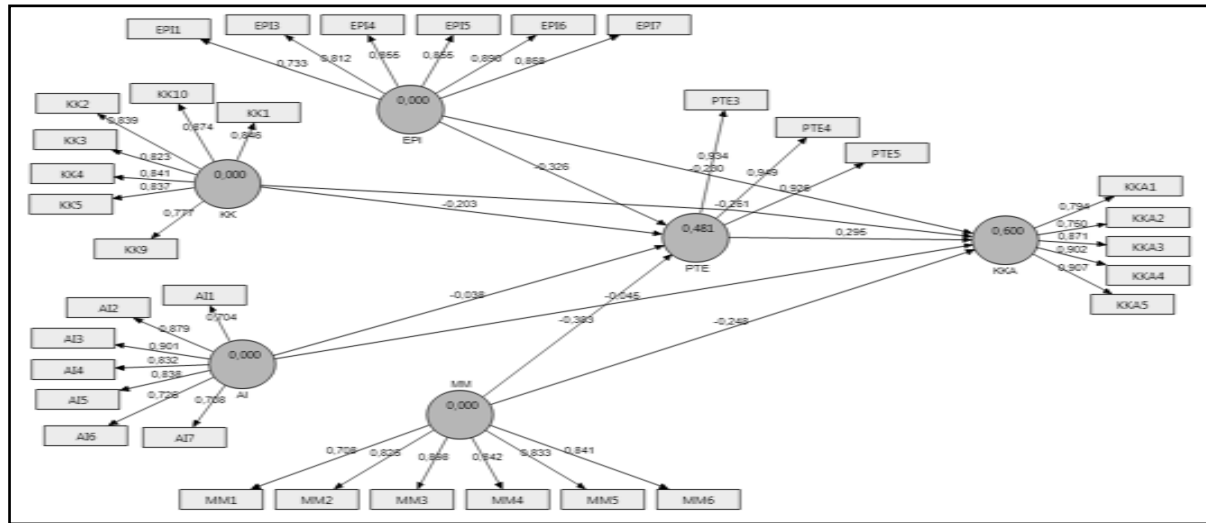


Figure 3: Display Results of PLS Algorithm After Elimination 2

There are two procedures or methods used to assess discriminant validity. The first method is to compare the correlation of the indicator of a construct with the correlation of the indicator with the other construct by looking at the value of the cross loading between the indicator and the construct. The results indicate a good discriminant validity because the correlation value of the indicator to the construct is higher than the correlation value of the indicator with other constructs. Thus, latent constructs predict indicators on their blocks better than indicators in other blocks.

The second method is to look at the AVE (Average Variance Extracted) value and the root value of AVE for each construct with the correlation between the construct and the other constructs in the model. A good model has required if the AVE root value for the individual construct is greater than the correlation value between the constructs with the other constructs in the model and the AVE value of each construct must be greater than 0.50. The following table shows the output of the AVE value of the model.

Table 2. AVE (Average Variance Extracted)

Variabel	AVE (Average Variance Extracted)
The effectiveness of Internal Control	0,7003
Compensation Fitness	0,6961
Information Asymmetry	0,6426
Management Morality	0,6830
Unethical Behavior	0,8774
The Tendency of Accounting Fraud	0,7174

Based on the table shows that the AVE (Average Variance Extracted) value for construct effectiveness of internal control, compensation fitness, information asymmetry, management morality, unethical behavior, and accounting fraud tendency has the value greater than 0.50.

Figure 3. AVE (Average Variance Extracted) Root Value and Correlation among Latent Variables

	The effectiveness of Internal Control	The effectiveness of Internal Control	The effectiveness of Internal Control	The effectiveness of Internal Control	The effectiveness of Internal Control	The effectiveness of Internal Control
The effectiveness of Internal Control	0,8368					
Compensation Fitness	0,3686	0,8343				
Information Asymmetry	-0,7888	-0,3876	0,8016			
Management Morality	0,4880	0,3768	-0,6046	0,8264		
Unethical Behavior	-0,5577	-0,4526	0,5291	-0,5951	0,9367	
The Tendency of Accounting Fraud	-0,5761	-0,5551	0,5436	-0,6072	0,6653	0,8470

Based on figure 3 above, for each bold number is the AVE root value of each construct and the non-bold number is the correlation value between the constructs with the other constructs in the model. Seen from figure 3 it can be concluded that the AVE root of all constructs is higher than the correlation between the construct and the other constructs. So it can be concluded from the output of figure 2 and figure 3 that all constructs meet the criteria of discriminant validity.

In addition to the construct validity test, construct reliability test is also measured by composite reliability and reinforced with Cronbach's alpha from the indicator block measuring the construct. Composite reliability test results and alpha Cronbach's can be seen in figure 4 A construct is considered reliable if it has a composite reliability value > 0.70 and Cronbach's alpha > 0.60.

Figure 4. Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbachs Alpha
The effectiveness of Internal Control	0,9332	0,9135
Compensation Fitness	0,9412	0,9284
Information Asymmetry	0,9258	0,9061
Management Morality	0,9279	0,9060
Unethical Behavior	0,9555	0,9302
The Tendency of Accounting Fraud	0,9266	0,9009

From the output of smart pls, all constructs have composite reliability values above 0.70 and Cronbach's alpha all constructs have values above 0.60. So it can be concluded from the output of composite reliability and Cronbach's alpha above that all constructs have met the criteria of the reliability test.

Inner Model Evaluation (Measurement Model)

The structural model is evaluated by using R-square for the dependent (endogenous) and t-test as well as the significance of the structural path parameter coefficients. For the R-square value of dependent constructs (endogenous) can be seen in the following table.

Figure 5. R-Square

Variable	R Square
Unethical Behavior	0,4813
The Tendency of Accounting Fraud	0,5998

The second test is to see the significance by looking at the value of the parameter coefficients and the significance value of t-statistics. In PLS statistical test every hypothesized relationship is conducted by using the simulation that is comparing the t-statistic value with t-table significance $\alpha = 5\%$ (1.64). If the value of t-statistic > t-table then the hypothesis is accepted and if the t-statistic value < t-table then the hypothesis is rejected. The significance of model in the testing of the structural model can be seen from the t-statistic value in table coefficient path. Table path coefficient on SmartPLS output can be seen in the following table:

Table 4.6. Path Coefficient (Mean, STDEV, t-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation STDEV	Standard Error (STERR)	t-statistics (O/STERR)	t-Table
EPI -> PTE	-0,3264	-0,3407	0,1398	0,1398	2,3345	1,64
EPI -> KKA	-0,2295	-0,2370	0,1012	0,1012	2,2667	1,64
KK -> PTE	-0,2030	-0,2178	0,0706	0,0706	2,8737	1,64
KK -> KKA	-0,2607	-0,2733	0,0714	0,0714	3,6498	1,64
AI -> PTE	-0,0383	-0,0500	0,1287	0,1287	0,2977	1,64
AI -> KKA	-0,0448	-0,0516	0,1011	0,1011	0,4436	1,64
MM -> PTE	-0,3825	-0,3770	0,0763	0,0763	5,0105	1,64
MM ->KKA	-0,2485	-0,2580	0,0729	0,0729	3,4057	1,64
PTE ->KKA	0,2951	0,2775	0,0844	0,0844	3,4950	1,64

Hypothesis Testing Result

Based on table, it appears that the effectiveness of internal control variables negatively affects the unethical behavior and tendency of accounting fraud, so hypothesis H₁ and hypothesis H₂ are accepted. Suitability compensation variables has negatively affect to the unethical behavior and tendency of accounting fraud. So hypothesis H₃ and hypothesis H₄ are accepted. Variables of information asymmetry are not proven to positively

affect the unethical behavior and tendency of accounting fraud, so hypothesis H₅ and hypothesis H₆ are rejected. Management morality variables have a negative effect on unethical behavior and the tendency of accounting fraud, so hypothesis H₇ and hypothesis H₈ are accepted. Unethical behavioral variables negatively affect the tendency of accounting fraud, so hypothesis H₉ is accepted.

The first hypothesis, which states that the effectiveness of internal control has a negative effect on unethical behavior empirically proven to be supported. The results of this research indicate that the better internal control of the banking company where the respondents work, the lower the unethical behavior of the accounting and financial employees of the banking company. The second hypothesis, which states that the effectiveness of internal controls negatively affects the tendency of accounting fraud empirically proven to be supported. The results of this research indicate that the more effective internal controls in banking companies will be the lower tendency of accounting fraud in the banking company.

The third hypothesis, which states that the suitability compensation has a negative effect on unethical behavior empirically proven to be supported. The results of this research indicate that the more appropriate compensation received respondents in the banking company where the respondents' work will be the lower unethical behavior of accounting and finance employees in the banking company. The fourth hypothesis, which states that the suitability of compensation has a negative effect on the tendency of accounting fraud empirically proven to be supported. The results of this research indicate that the more appropriate compensation received respondents in the banking company where the respondent's work will be the lower tendency to commit accounting fraud on the banking company.

The fifth hypothesis, which states that information asymmetry has a positive effect on unethical behavior is empirically unproven. Not influencing the information asymmetry of this unethical behavior proves that the existence of information asymmetry does not guarantee the occurrence of an unethical behavior. The sixth hypothesis, which states that information asymmetry has a positive effect on the tendency of accounting fraud not proven. This means that there is no influence between information asymmetry and the tendency of accounting fraud. Not influencing the information asymmetry of this accounting fraud tendency proves that the existence of information asymmetry does not guarantee accounting fraud.

The seventh hypothesis, which states that management morality has a negative effect on unethical behavior empirically proven to be supported. The results of this study indicate that the better the moral management or employees in the banking company where the respondents work will be the lower unethical behavior of accounting and finance employees in the banking company. The eighth hypothesis, which states that management morality has a negative effect on the tendency of accounting cheating empirically proven to be supported. The results of this study indicate that the better the morale of the management or employees in the banking company where the respondents work will lower the tendency to accounting fraud in the banking company. The ninth hypothesis, which states that unethical behavior has a positive effect on the tendency of accounting fraud empirically proven to be supported. The results of this study also show that the more unethical behavior of the management or employees in

the banking company where the respondents' work will be the higher the tendency to commit accounting fraud on the banking company.

V. CONCLUSION, IMPLICATION, AND LIMITATION

Conclusion

This research was conducted to examine the effect of internal control effectiveness, compensation fitness, information asymmetry, and management morality on unethical behavior and tendency of accounting fraud and unethical behavior toward the tendency of accounting fraud at banking industry in Bengkulu city. Respondents of this research are employees of accounting and finance at banking companies in the city of Bengkulu. Based on the results of the discussion it can be concluded as follows: (1) Effectiveness of internal controls negatively affect unethical behavior, (2) Effectiveness of internal controls negatively affect the tendency of accounting fraud. (3) Suitability compensation has a negative effect on unethical behavior, (4) Suitability compensation negatively affects the tendency of accounting fraud. (5) Information asymmetry is not proven to have a positive effect on unethical behavior, (6) Information asymmetry is not proven to positively affect the tendency of accounting fraud. (7) Management morality negatively affects unethical behavior, (8) Management morality negatively affects the tendency of accounting fraud. (9) Unethical behavior has a positive effect on the tendency of accounting fraud.

Implication

Based on the results of the research and the conclusion above, the research has practical implications. this research can contribute to the company that the results of this research can be input to understand what are the factors that influence unethical behavior and the tendency of fraudulent accounting at banking companies in the city of Bengkulu, because the results of this research found that effective internal control, appropriate compensation, and good management morality can reduce unethical behavior and the tendency to commit accounting fraud. Thus, banking companies can know that the internal controls they apply and the compensation they have provided are effective enough to reduce unethical behavior and the tendency of accounting fraud and the morale of the employees have also been good so as to reduce unethical behavior and the tendency to commit accounting fraud.

Limitation

The limitations of this study are the fifth hypothesis does not prove that information asymmetry has an effect on unethical behavior and the sixth hypothesis also does not prove that information asymmetry has an effect on tendency of accounting fraud, this is because the questionnaire indicator in this research adopted from previous research, indicators on information asymmetric variables that are difficult to understand by respondents and the selection of sample of this research is a banking company that is a company that maintains a very strict confidentiality that makes the distribution of questionnaires is not optimal because there are some banks that are not willing to fill out the questionnaire. Suggestions for further research is to consider the variables that have no effect cannot be tested or re-tested, but further research needs to evaluate the indicators asked in the questionnaire so that respondents more easily understand the contents of the statement on the questionnaire that the researcher gave.

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