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Analysis of Factors Affecting The Tendency of Accounting Fraud with An Ethical Behavior As Intervening Variable

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Abstrak

Tujuan penelitian ini adalah untuk menganalisis faktor-faktor yang mempengaruhi kecenderungan kecurangan akuntansi dengan perilaku tidak etis sebagai variabel intervening. Populasi dari penelitian ini seluruh pengurus koperasi wanita di Kota Semarang. Sampel dalam penelitian sebanyak 61 pengurus koperasi wanita di Kota Semarang dengan teknik sampling yang digunakan yaitu convinience sampling. Teknik analisis yang digunakan dalam penelitian ini adalah analisis regresi berganda. Keefektifan pengendalian internal dan perilaku tidak etis berpengaruh terhadap kecenderungan kecurangan akuntansi,sedangkan ketaatan aturan akuntansi, kesesuaian kompensasi, dan asimetri informasi tidak berpengaruh. Keefektifan pengendalian internal, kesesuaian kompensasi, dan asimetri informasi berpengaruh terhadap perilaku tidak etis, sedangkan ketaatan aturan akuntansi tidak berpengaruh. Keefektifan pengendalian internal, kesesuaian kompensasi, dan asimetri informasi berpengaruh terhadap kecenderungan kecurangan akuntansi melalui perilaku tidak etis, sedangkan ketaatan aturan akuntansi tidak berpengaruh. Berdasarkan hasil penelitian, dapat disimpulkan bahwa kecenderungan kecurangan akuntansi dipengaruhi oleh perilaku tidak etis dan keefektifan pengendalian internal, sedangkan perilaku tidak etis dipengaruhi oleh keefektifan pengendalian internal, kesesuaian kompensasi, dan asimetri informasi.

Abstract

The purpose of this study is to analyze the factors that influence the tendency of accounting cheating with unethical behavior as intervening variable. The population of this study is all female cooperative managers in Semarang City. The sample in this research is 61 female cooperative managers in Semarang City with sampling technique used is convenience sampling. The analysis technique used in this research is multiple regression analysis. The effectiveness of internal controls and unethical behavior has an effect on the tendency of accounting fraud, while compliance with accounting rules, compensation compliance, and information asymmetry have no effect. The effectiveness of internal controls, compliance of compensation, and information asymmetry have an effect on unethical behavior, while the obedience of accounting rules has no effect on unethical behavior. Based on the results of the study, it can be concluded that the tendency of accounting fraud is influenced by unethical behavior and effectiveness of internal control, while unethical behavior is influenced by the effectiveness of internal control, compensation suitability, and information asymmetry.

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INTRODUCTION

Financial statements are the result of an accounting process created to provide information to stakeholders in the framework of business decision making. The information in the financial statements is very important so that the financial statements made should be reliable. These important corporate financial statements make the financial statements should be prepared in accordance with the applicable accounting rules. In fact, there are still irregularities in financial statements so that the financial statements presented are irrelevant and unreliable. The deviation of these financial statements is an act of accounting fraud. Association of Certified Fraud Examiners (ACFE) in Tuanakotta (2010) states there are three forms of fraud described in the form of a fraud tree that is corruption, misuse of assets, and fraud to the financial statements. The number of criminal acts of corruption which is one form of accounting fraud has increased. Data obtained from the site www.acch.kpk.go.id owned by the Corruption Eradication Commission (KPK) shows several things as follows:

Table 1. Handling of Corruption by KPK

Year	Inquiry	Investigation	Prosecution	Inkracht	Execution
2016	96	99	76	70	81
2015	87	57	62	37	38

Source : www.acch.kpk.go.id, 2017

Table 1 shows that the number of corruption handling conducted by the KPK in 2016 has increased compared to the previous year ie 2015. Initial observation conducted by researchers on March 17, 2017 with Supriyono Budi Santoso, SH. who is an employee of the Supervision Section at the Office of Cooperatives and SMEs of Semarang City, obtains information that accounting fraud that occurred in the cooperatives in the city of Semarang largely due to the existence of fictitious loans recorded by the management. Initial observation conducted by researchers at the Office of Cooperatives and SMEs of Semarang City also obtains information that the cooperative in Semarang City has not fully complied with the rules contained in SAK ETAP.

The financial statements of cooperatives that have not complied with SAK ETAP also tend to be un-audited. This indicates that there is a tendency of accounting fraud within the cooperative that makes the cooperative not yet dare to use external audit services to audit its financial statements. Existing phenomena give researchers the opportunity to make research on the tendency of accounting fraud. The purpose of this study is to examine and analyze the factors that influence the tendency of accounting fraud with unethical behavior as intervening variable. These factors are the effectiveness of internal controls, compliance to accounting rules, compensation suitability, and information asymmetry.

The theory used in this research is Attribution theory, agency theory, and moral development theory. Attribution theory explains that the behavior of cooperative management in conducting accounting fraud tendency is caused by external influences that are effectiveness of internal control and compensation suitability. The agency theory explains the information asymmetry that occurs in the cooperative. The information asymmetry that occurs in this cooperative is an imbalance of information owned by cooperative members as principal and cooperative management as an agent. This situation occurs when members do not have sufficient information about the performance of the management and the actual co-operative state while the management has more information about it but they are reluctant to open to members. The theory of moral development in this study is used to explain in the stages of moral development when human beings are in the post-conventional stage, humans begin to establish their morality by adhering to existing rules as well as accounting rules. In this case, management adheres to existing accounting rules in order to minimize the occurrence fraud caused by mistakes because of the accounting standards that have not been appropriate. The framework of the theory above generates the following hypothesis:

H_1: The effectiveness of internal controls, compliance to accounting rules, compensation suitability, information asymmetry, and unethical behavior have an effect on the tendency of accounting fraud.

The tendency of accounting fraud can occur when a person has a chance to do so. These opportunities can be reduced by a good internal control system. Good internal control can reduce or even close the opportunities for the tendency of accounting fraud. Wilopo (2006), Thoyibatun (2009), Fawzi (2011) and Shintadevi (2015) studies show that the effectiveness of internal controls has a negative effect on the tendency of accounting fraud. This means that the more effective internal control in management the lower the accounting fraud. Based on this framework, the second hypothesis is arranged as follows:

H_2: The effectiveness of internal control negatively affects on the tendency of accounting fraud.

Rahmawati (2012) states that accounting standards are prepared to become the basis for the preparation of financial statements. The accounting standards consist of the guidelines used to measure and present the financial statements. Accounting standards used in cooperatives are the Accounting Standards for Entity without Public Accountability (SAK ETAP). In Kohlberg's (1996) moral development theory, high management morality is also supported in adherence to the prevailing rules. The theory explains that in the post-conventional stage, management is oriented to the prevailing regulations, so compliance with accounting rules can form a high management morality and can decrease the tendency of accounting fraud committed by management. The results of Wilopo (2006), Thoyibatun (2009) and Shintadevi (2015) studies show that accounting compliance has a negative effect on the tendency of accounting fraud. Based on the framework of thinking, then compiled the following third hypothesis:

H_3: Compliance to accounting rules has a negative effect on the tendency of accounting fraud.

Accounting fraud can occur when an employee is dissatisfied with the compensation he or she receives from what they have done. The act of accounting fraud is committed by an employee solely to maximize profits for the himself. The appropriateness of compensation given to employees for what they do is expected to make the employee feel fulfilled so as not to commit an accounting fraud act in order to maximize his personal gain in which it would be detrimental to the entity itself. Research from wilopo (2006) and Shintadevi (2015) obtained the result that the compensation suitability has a negative effect on the tendency of accounting fraud. Based on the framework, the fourth hypothesis is arranged as follows:

H_4: Compensation suitability has a negative effect on the tendency of accounting fraud

According to Rachmawati (2006), information asymmetry between manager (agent) and principal (s) causes a gap in the company's internal financial knowledge so that managers can do engineering to increase profit to get compensation or reward from the owner. The owner wants a maximum and immediate return on investment, one of which is reflected by the increase in the dividend portion of each share owned. Meanwhile, managers want their interests accommodated by giving "adequate" and as much as possible compensation or bonus for their performance. Wilopo's research (2006) shows that information asymmetry has a positive effect on the tendency of accounting fraud. Based on the framework of thinking, the fifth hypothesis is arranged as follows:

H_5: Information asymmetry positively influences the tendency of accounting fraud

Kohlberg's theory of moral development (1969) suggests that morality evolves through three stages: the Pre-Conventional, Conventional, and Post-Conventional stages. In the post-conventional stage is the end of the stage of moral development that forms the ethical principles of management. The principle shows the attitude of management in the management of the company to determine good or bad decisions for the company. If the behavior shown by management tends to be unethical it can lead to accounting fraud (Kusumastuti, 2012). The results of the Shintadevi's study (2015) show that unethical behavior has a positive and significant effect on the tendency of accounting fraud. Based on the framework of thinking, then compiled the sixth hypothesis as follows:

H_6: Unethical behavior has a positive effect on the tendency of accounting fraud.

Unethical behavior is an attitude or deviant behavior performed by a person in a company to achieve a certain goal in which the goal is different from the main objectives that have been agreed previously. Loose internal controls can provide a person with an opportunity to engage in unethical behavior that can be detrimental to an agency or institution. Based on Wilopo (2006), Thoyibatun (2009), and Fawzi (2011) studies, the effectiveness of internal controls can prevent and reduce unethical behavior. Based on the framework of thinking, then compiled the seventh hypothesis as follows:

H_7: The effectiveness of internal control negatively affects on unethical behavior.

According to Kusumastuti (2012), management is a collection of individuals who also have a moral stage. In the conventional stage, moral development is based on the understanding of social rules, laws, justice, and obligations. Management at this stage began to form the morality of its management by obeying the rules in this study is the accounting rules before finally formed high moral management maturity in the post-conventional stage. The obedience of management to accounting rules applicable in conducting accounting activities is expected to reduce unethical behavior. The more obedient the company to the prevailing accounting rules the lower the unethical actions undertaken by management within the agency. The results of Wilopo (2006), Thoyibatun (2009), and Shintadevi (2015), show that compliance with accounting rules can prevent and reduce unethical behavior that occurs within the agency. Based on this framework, the eighth hypothesis is arranged as follows:

H_8: Compliance to accounting rules has a negative effect on unethical behavior.

Compensation is the thing that affects the actions and behavior of a person in the organization. A person tends to behave unethically to maximize his personal gain. Compensation discrepancy given by the company with the wishes of its employees will lead to unethical behavior due to the employee's lack of compensation received. Based on the research of Thoyibatun (2009) and Shintadevi (2015) the suitability of compensation negatively affects unethical behavior. Based on the framework, the ninth hypothesis is arranged as follows:

H_9: Compensation suitability negatively affects on unethical behavior.

Kurniawan (2012) states that information asymmetry is a condition in which there is an imbalance that is owned by agents and principals caused by unequal distribution of information between the two parties. This information asymmetry makes management exploits information discrepancies for their advantage as well as harming outsiders, such as biasing information related to investors (Scott, 2003 in Wilopo, 2006). This can provide an opportunity for the management of the company to do unethical behavior. The results of Wilopo (2006) show that information asymmetry has a positive effect on unethical behavior. Based on the framework of thinking, then compiled the following hypothesis:

H_{10}: Information asymmetry has a positive effect on unethical behavior.

Internal control is an internal system that exists in an organization or agency where good internal control will suppress the unethical behavior of a person to commit acts of fraud. Management behavior that tend to do deviant action to maximize personal gain, where good internal control will suppress the unethical behavior of a person to commit accounting fraud. Thus, the existence of effective internal control is expected to minimize unethical behavior that refers to the fraudulent act of an entity or organization where the action can harm the entity or organization itself. Based on the framework of thinking, compiled hypothesis:

H_{11}: The effectiveness of internal control affects the tendency of accounting fraud through unethical behavior.

Compliance to Accounting Rules is an obligation in the company to comply with all the provisions or rules of accounting in implementing financial management and financial reporting in order to create transparency and accountability of financial management and financial reports produced effective, reliable and accurate information. Wolk and Teraney (1997) in Wilopo (2006) argue that failure to compile financial statements caused by disobedience to accounting rules will lead to company fraud that cannot be detected by the auditor. Thus, when companies compile financial statements that are inconsistent with existing accounting rules, it opens opportunities for unethical behavior that can refer to accounting fraud. Based on the framework of thinking, the hypothesis is arranged as follows:

H_{12}: The compliance to accounting rules has an effect on the tendency of accounting fraud through unethical behavior.

Appropriate compensation system is expected to make the individual feel fulfilled so that the individual does not take actions that harm the organization including doing acts of accounting fraud. Compensation is the thing that affects the actions and behavior of a person in the organization. The compensation provided by the company to employees provides an opportunity and triggers employees to behave in an unethical manner that refers to the acts of accounting fraud tendency. Based on the framework of thinking, the hypothesis is arranged as follows:

H_{13}: Compensation suitability affects on the tendency of accounting fraud through unethical behavior.

Information asymmetry is a condition where there is an imbalance of information owned by agents and principals. Under these conditions, the agent has access to information that is not owned by the principal and the principal has difficulty in accessing the information. Given these asymmetry conditions will have an effect on one's unethical behavior. This is because the management, especially those responsible for the preparation of financial statements more know the conditions in the preparation of financial statements in detail compared with outside parties. Based on the framework of thinking, then the hypothesis is arranged as follows:

H_{14}: Information asymmetry influences the tendency of accounting fraud through unethical behaviour

Based on the framework above, the research model can be seen in Figure 1 as follows:

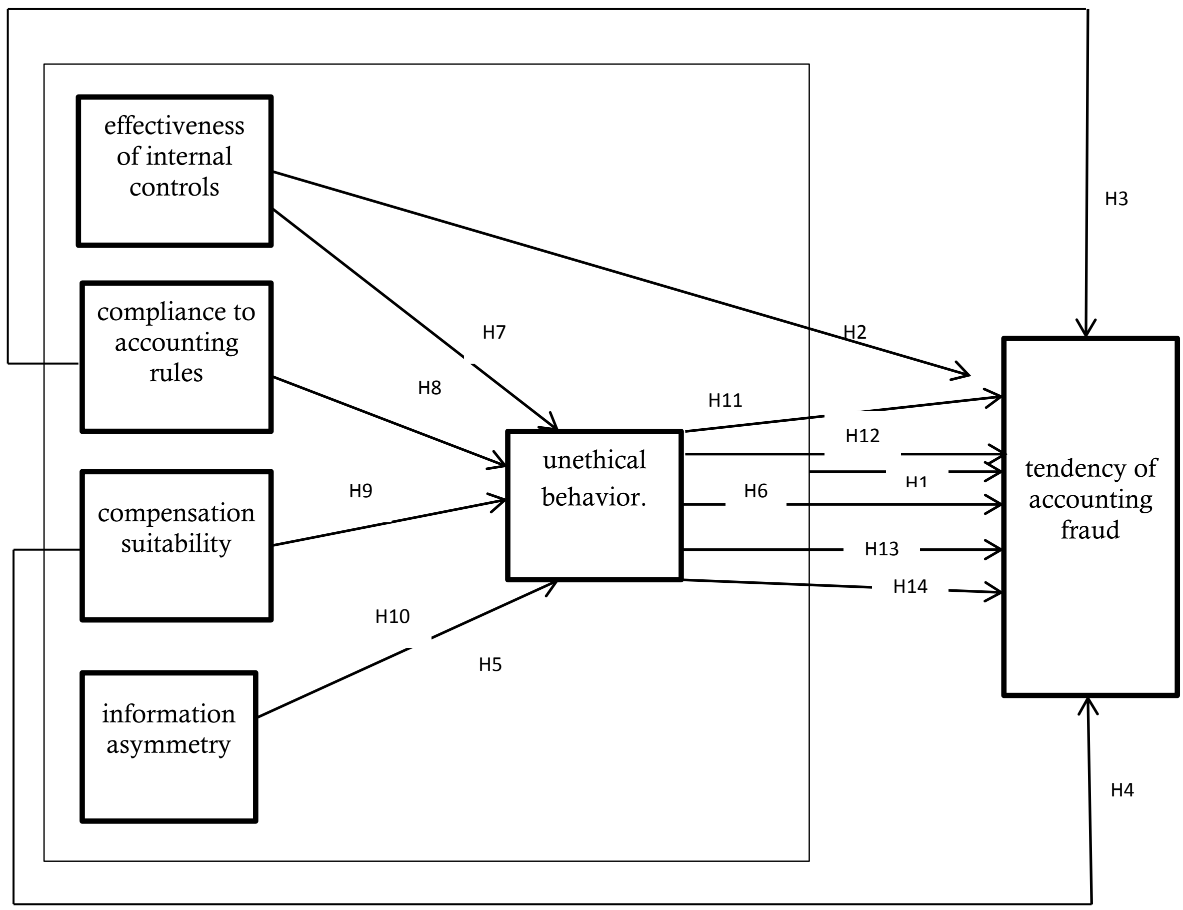

Figure 1. Research Model

METHODS

Type of this research was a quantitative research. The data used in this research was primary data. The population of this research was all female cooperative management in Semarang City consisting of chairman, vice chairman, secretary, and treasurer. This study used convenience sampling with respondents obtained was 61 female cooperative management in Semarang City. The dependent variable of this research was the tendency of accounting fraud. Independent variables were the effectiveness of internal control, compliance to accounting rules, compensation suitability, and information asymmetry, while the intervening variable was unethical behavior.

Table 2. Operational Definition of Variables

No	Variables	Operational Definition	Indicators
1	Accounting Fraud Tendency (KKA)	The desire to get everything for gaining profit by dishonest means can be in the form of committing misstatement in financial statements misusing assets, and corruption.	The tendency to commit manipulation, falsification, or alteration of accounting records or other supporting documents. The tendency to perform a presentation that have omissions of events, transactions, or information which is significant from financial statements. The tendency to commit incorrect application of

			accounting principles intentionally
		(Shintadevi, 2015)	The tendency to misrepresent financial statements due to the theft of assets that make the entity pay for goods / services that are not accepted. The tendency to misrepresent financial statements due to undue treatment of assets and accompanied by false records or documents and may involve one or more individuals between management, employees or third parties. (Wilopo, 2006)
2	Effectiveness of Internal Control (KPI)	The success of management in implementing the policies or procedures undertaken to give assurance that the goals of the company can be achieved and to reduce the loss of the possibility of security threats in the information. (Meliani, 2013)	Control environment Risk assessment Control activities Information and communication Monitoring (Arens, 2008)
3	Compliance to Accounting Rules (KAA)	Level of conformity of organizational asset management procedures, implementation of accounting procedures, and presentation of financial statements along with supporting evidence, with predetermined rules. (Bartenputra, 2016)	Responsibility for implementation Public interest Integrity Objectivity Prudence Confidentiality Consistency Standard technique (Wilopo, 2006)
4	Compensation Suitability (KK)	Employee satisfaction over what agencies give them in return for the work they have done. (Shintadevi, 2015)	Wages and salaries Incentives Benefits Facilities (Simamora in Prasetya, 2015)
5	Information Asymmetry (AI)	A condition where there is an imbalance that is owned by the agent and principal caused by the unequal distribution of information between the two parties. (Risdawaty,2015)	Situations where management has better information on activities that are its responsibilities than outsiders. Situations in which management is more familiar with the input-output relationship of activities that are their responsibility than the outsiders. Situations where management is more aware of the potential performance of its responsibilities than outsiders.
			Situations where management is familiar with the technical tasks that becomes their responsibility than outside parties.

			Situations in which management is better able to assess the influence of potential external factors on activities that become their responsibility than outsiders. Situations where management better understands what can be achieved in the field that become its responsibility than outsiders. (Dunk in Wilopo, 2006)
6	Unethical Behavior (PTE)	The deviant behavior that a person does to achieve a certain goal. (Bestari, 2016)	Abuse position Abuse power Abuse resource No action (Tang, 2003)

Source : Writer's Summary, 2017

Technique of data retrieval was done by using field research method (Field Research) by spreading the questionnaire to female cooperative management in Semarang City. Hypothesis testing research used multiple regression analysis. The classical assumption test was performed before testing the research hypothesis in order for the test results to meet BLUE (Best Linear Unbiased Estimated) criteria. The model used in this study could be formulated as follows:

Model I

Y = a + P1X1 + P2X2 + P3X3 + P4X4 + P5Z + e2

Model II

Z = a + P6X1 + P7X2 + P8X3 + P9X4 + e1

RESULTS AND DISCUSSIONS

The results of descriptive statistics of all variables were presented in the following table:

Table 3. Descriptive of Research Variables

Variables	N	Min	Max	Mean	Standard Deviation
Tendency of Accounting Fraud	61	16	25	21.77	2.680
Unethical Behaviot	61	23	38	30.95	5.414
Effectiveness of Internal Control	61	16	23	18.36	2.160
Compliance to Accounting Rules	61	23	35	27.15	3.434
Compensation Suitability	61	10	25	15.69	3.965
Information Asymmetry	61	18	28	23.67	3.613

Source : *Output* SPSS 21, 2017

Table 3 showed that in general female co-operatives in Semarang City had mean values of accounting fraud tendencies and unethical behavior of 21.77 and 30.95, respectively, which meant they were in the high category. The mean value of the effectiveness of internal control was 18.36 which meant quite effective. The mean value of compliance to accounting rules amounted to 27.15 which meant quite obedient. Compensation suitability had a mean value of 15.69 where this value was in very inappropriate category, and information asymmetry had a mean value of 23.57 which was in the high category. Before conducting hypothesis testing, it was necessary to examine the classical assumption test as a regression prerequisite test. The classical assumption test used in this research was normality, multicollinearity, and heteroscedasticity. The result of the normality test by using one sample kolmogorov-smirnov showed an unstandardized residual value above 0.05. The output of the multicollinearity result had a tolerance value> 0.01 and a VIF value <10, while the result of heteroscedasticity test using White test had the value of c^2 count < c^2 table (19.18 <168.613). This study used the variable of unethical behavior as a variable of mediation or intervening variable. The test for the mediation variables was done by sobel test through website www.danielsoper.com with application of Sobel Test Calculator for the Significance of Mediation. The determinant coefficient value seen in the Adjusted R^2 column on models I and II each obtained results of 0.934 and 0.881 respectively. The results of hypothesis testing could be seen in table:

Table 4. Result of Hypothesis Test

Hypothesis	F Count	Sig	Prob	F Table		Result
H_1 : The effectiveness of internal control, compliance to accounting rules, compensation suitability, information asymmetry, and unethical behavior simultaneously affected on the tendency of accounting fraud	155.090			2.37		Accepted
H_2 : The effectiveness of internal control partially had a negative effect the tendency of accounting fraud		0.007			0.05	Accepted
H_3 : The compliance oto accounting rules partially had a negative effect on the tendency of accounting fraud		0.252			0.05	Rejected
H_4 : The compensation suitability partially had a negative effect on the tendency of accounting fraud		0.413			0.05	Rejected
H_5 : Information asymmetry partially had a positive effect on the tendency of accounting fraud		0.132			0.05	Rejected
H_6 : Unethical behavior partially had a positive effect on the tendency of accounting fraud		0.000			0,05	Accepted
H_7 : The effectiveness of internal control partially had a negative effect on unethical behaviour		0.000			0.05	Accepted
H_8 : Compliance to accounting rules partially had a negative effect on unethical behavior		0.244			0.05	Rejected
H_9 : The compensation suitability partially had a negative effect on unethical behaviour		0.044			0.05	Accepted
H_{10} : Information asymmetry partially had a positive effect on unethical behavior		0.000			0.05	Accepted

H_{11} : The effectiveness of internal control partially had a negative effect the tendency of accounting fraud through unethical behavior	0.002	0.05	Accepted
H_{12} : Compliance to accounting rules partially had a negative effect the tendency of accounting fraud through unethical behavior	0.1224	0.05	Rejected
H_{13} : The compensation suitability partially had a negative effect on the tendency of accounting fraud through unethical behavior	0,0229	0.05	Accepted
H_{14} : Information asymmetry partially had a positive effect on the tendency of accounting fraud through unethical behavior	0,0000 5	0.05	Accepted

Source : *Output* SPSS, 2017

The result of simultaneous test showed H_1 accepted. This result was consistent with attribution theory that studied the process of how one interpreted events, reasons, or causes of his/her behavior. Factors such as the level of internal control effectiveness and the compensation suitability were part of cause a person committing fraud. One of the causes was the existence of information asymmetry or information gap between information owned by principal and owned by agent. According to the theory of moral development, management was an individual who had entered the post-conventional stage where at this stage someone would be aware and obedient to the existing rules. In this case, management adhered to existing accounting rules in order to minimize the occurrence of fraud caused by mistakes because of accounting standards that were not according to the rules.

The result of the research supported H_2 which stated that the effectiveness of internal controls negatively affected on the tendency of accounting fraud. This study proved that the statement of Arens (2009) who stated that one of the components in internal control namely risk assessment of financial reporting was the actions taken by management to identify and analyze the risks relevant to the preparation of financial statements in accordance with generally accepted accounting principles. Assessing those risks as part of minimizing errors and fraud, the auditor assessed the risk to decide the evidence required in the audit.

The results did not support H_3. This meant that the variable of compliance to accounting rules had no effect on the tendency of accounting fraud. The result of this study did not support Kohlberg's theory of moral development (1996) which stated that management morality (in this study was a high committee) was also supported on its adherence to the prevailing rules. Accounting standards used in cooperatives were the Accounting Standards for Entity Without Public Accountability (SAK ETAP). The reality in the field, there were still many cooperatives that became objects in this study have not followed SAK ETAP in financial reporting and still used a simple bookkeeping. This was due to the socialization of SAK ETAP which was still uneven from related offices as well as the mindset of the management who still considered that obeying accounting rules was not very important. In fact, however, this study showed that the tendency of accounting fraud in research was in the low category.

The result did not support H_4. This meant that the compensation suitability variable had no effect on the tendency of accounting fraud. This study was not in line with the theory of attribution which said that the actions or decisions taken by leaders or persons authorized were caused by the causal attributes. Appropriate compensation was a contributing factor to fraud. Cooperatives that became the object of this research was dominated by female cooperatives formed from PKK desa / kelurahan where the cooperative was a small-scale cooperative whose board were housewives. Based on interviews with female cooperative managers, the high or low compensation did not make the committees committed fraud, because they worked instead of fixated on the compensation they got but to improve their social status in the community.

The result of the study did not support H_5 which stated that information asymmetry had a positive effect on the tendency of accounting fraud. The agency theory (Jensen and Meckling, 1976) described the problems that occurred in agency relationships. One of the agency problems was the information asymmetry between manager as agent and owner as principal. Principal in this study was a member of the cooperative while the agent in this study was a cooperative management. The existence of this information asymmetry caused a gap in internal financial knowledge of the cooperative so that the management could do engineering of interests and benefits himself. Descriptive variable indicated that information asymmetry occurred in high category whereas descriptive statistics of accounting fraud tendency was in high category as well but the result had no effect. This was due to although the management had more information than the members but does not make the management to commit fraud. Based on the results of interviews with female cooperative managers, this was because the management wanted to maintain its social status in the community as a cooperative management.

The result of the study supported H_6 which stated that unethical behavior had a positive effect on the tendency of accounting fraud. In the theory of moral development by Kohlberg (1969) stated that in the post-conventional stage was the end of the moral development stage that formed the ethical principles owned by management. The ethical principle of a management was represented by the behavior of management in the management of the company. If the behavior shown by management tended to be unethical it could lead to accounting fraud (Kusumastuti, 2012). Unethical behavior commonly practiced by management included abuse of authority and power, misuse of corporate resources and fraud.

The result supported H_7. This meant that the effectiveness of internal control negatively affected on unethical behavior. Internal control had five elements, namely the control environment, risk assessment, control activities, information and communication, and supervision. These five elements helped the agency to achieve its goals. Loose internal controls could provide a person with an opportunity to engage in unethical behavior that could be detrimental to an agency or institution.

The result of the research showed H_8 rejected. This meant that compliance to accounting rules had no effect on unethical behavior. This research was not in line with the moral Development Theory statement which stated that management was a collection of individuals who also had moral stages. In the conventional stage, moral development was based on the understanding of social rules, laws, justice, and obligations. Management at this stage began to form the morality of its management by obeying the rules in this study was the accounting rules. Descriptive statistics indicated that the compliance to accounting rules in the category of quite high and unethical behavior was also in high enough category. The research was not in line with the studies conducted by Wilopo (2006), Thoyibatun (2009), and Shintadevi (2015) in which the result of the studies stated that compliance with accounting rules could prevent and reduce unethical behavior that occurred within agencies.

The result of the study supported H_9. This meant that the suitability of compensation negatively affected on unethical behavior. This research was in line with the studies of Thoyibatun (2009) and Shintadevi (2015) where compensation suitability negatively affected on unethical behavior. This study was in accordance with the theory of attribution which stated that one's actions or decisions were influenced by internal factors and external factors. Compensation suitability was an external factor affecting unethical behavior. Descriptive statistics showed that the compensation suitability was in very low category and unethical behavior was in fairly high category.

The result of the study supported H_{10}. This meant that the variable of information asymmetry had a positive effect on unethical behavior. The agency theory (Jensen and Meckling, 1976) described the problems that occurred in agency relationships. One of the agency problems was the asymmetry of information between manager as agent and owner as principal. The existence of this information asymmetry caused a gap in the company's internal financial knowledge so that managers could do engineering in order to increase profits to get compensation or rewards from the owner.

The result of the test indicated that there was an indirect effect of the effectiveness of internal control on the tendency of accounting fraud through unethical behavior. This meant that the H_{11} of this study was otherwise accepted. This result was in line with the attribution theory which revealed that the reason for someone performing unethical behavior and the tendency of accounting fraud was due to appropriate internal controls. Because when internal control was weak, it could affect a person to perform unethical behavior that led to a person's tendency to commit accounting fraud.

The result of the test indicated that there was no indirect influence of the adherence to accounting rules to the tendency of accounting fraud through unethical behavior. This meant that H_{12} of this study was declared rejected. This result was inconsistent with Kohlberg's theory of moral development which revealed that high management morality at the conventional stage would make management adhere to the prevailing rules. This theory also revealed that when it has passed the conventional stage and was in the post conventional stage, then management would have a high moral maturity in which this moral maturity as the basis for management to determine responses and attitudes to ethical issues. The development of moral knowledge became an indication of ethical and positive decision making related to socially responsible behavior. The existence of such social responsibility, management with high morality did not perform unethical behavior that could bring himself to commit acts of accounting fraud.

The result of the sobel test indicated the indirect effect of compensation suitability on the tendency of accounting fraud through unethical behavior. This meant that the H_{13} of this study was declared acceptable. This result was in line with the attribution theory which revealed that the reason a person performed unethical behavior and the tendency of accounting fraud was due to inappropriate compensation. A person tended to behave unethically to maximize his personal gain (Prasetya, 2016). The compensation was intended for management to act according to the wishes of the corporate owner and not doing deviant acts such as fraud acts. Deviant action was expected to decrease in the presence of a given compensation system. The compensation provided by the company to employees provided an opportunity and triggered employees to behave in an unethical manner that referred to the acts of accounting fraud tendency.

The result of the sobel test showed that there was an indirect influence of information asymmetry on the tendency of accounting fraud through unethical behavior. This meant that the H_{14} of this study was declared acceptable. This result was in line with agency theory that revealed the problems that occurred in agency relationships. One of the agency problems was the information asymmetry between manager as agent and owner as principal. The existence of this information asymmetry caused a gap in the company's internal financial knowledge so that managers can do engineering in order to increase profits to get compensation or rewards from the owner. If information asymmetry was combined with unethical behavior, then the accounting fraud trend would increase. This was because when in a state of high asymmetry, management would be more free to do unethical things without being noticed by the owner so that the possibility of increasing the level of accounting fraud tendency would increase.

CONCLUSIONS

The conclusion of this study is that unethical behavior has a positive effect on the tendency of accounting fraud, the effectiveness of internal control has a negative effect on the tendency of accounting fraud, compliance to accounting rules, compensation suitability, and information asymmetry have no effect on the tendency of accounting fraud. The effectiveness of internal control, compensation suitability, and information asymmetry have a negative effect on unethical behavior, while compliance with accounting rules has no effect on unethical behavior. Unethical behavior mediates the effect of internal control effectiveness, compensation suitability, and information asymmetry on the tendency of accounting fraud. Unethical behavior cannot mediate the influence of compliance with accounting rules on the tendency of accounting fraud. Further research is expected to conduct research in large-scale cooperatives to test the consistency of this study.

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