Fraud Prevention: Relevance to spirituality workplace and religion

Ni Putu Nursiania*, Rolland E. Fanggidaeb
a,b Universitas Nusa Cendana, Kupang, Indonesia

 Abstrac

Fraud in the financial statements causes the information to be invalid and not in accordance with the financial reporting mechanism. The Association of Certified Fraud Examiners (ACFE) defines cheating as an act of fraud or mistake made by a person or body that knows that such mistakes may result in some unfavorable benefits to an individual or entity or other party. The fraud of undetected financial statements can develop into a major scandal that harms many parties. Lately, aspects of spirituality have begun to get the attention of the world of science, including accounting. The rapid development of science and technology as well as the increasingly fierce competition make people more intended to pursue material satisfaction (hedonistic) and ignore the spiritual life so that human life becomes unbalanced. To solve the problem of fraud, a positive economic approach is still applied. The use of normative economic approaches such as ethical and religious values is still small. Spirituality in the workplace has been widely adopted by big companies in Indonesia to harmonize spirit and strategy. Produce meaning that allows the connection between religion and spirituality in the prevention of fraud. Understanding based on spirituality and religion about the importance of work, involvement in the workplace will inspire them to love their work and ultimately prevent them from acts that will harm themselves and the company.

Keywords: spiritualiality; religiosity; spirituality workplace; fraud prevention; treasurer.

Prevención del fraude: relevancia para la espiritualidad en el lugar de trabajo y la religión

Resumen

La investigación actual tiene como objetivo evaluar las habilidades de rendiEl fraude en los estados financieros hace que la información sea inválida y no de acuerdo con el mecanismo de información financiera. La Asociación de Examinadores Certificados de Fraude (ACFE, por sus siglas en inglés) define la trampa como un acto de fraude o error cometido por una persona u organismo que sabe que dichos errores pueden generar algunos beneficios desfavorables para un individuo o entidad u otra parte. El fraude de los estados financieros no detectados puede convertirse en un gran escándalo que perjudica a muchas partes. Últimamente, los aspectos de la espiritualidad han comenzado a llamar la atención del mundo de la ciencia, incluida la contabilidad. El rápido desarrollo de la ciencia y la tecnología, así como la competencia cada vez más feroz, hacen que las personas tengan más intención de buscar la satisfacción material (hedonista) e ignoren la vida espiritual para que la vida humana se desequilibre. Para resolver el problema del fraude, todavía se aplica un enfoque económico positivo. El uso de enfoques económicos normativos como los valores éticos y religiosos es aún pequeño. La espiritualidad en el lugar de trabajo ha sido ampliamente adoptada por las grandes empresas en Indonesia para armonizar el espíritu y la estrategia. Producir un significado que permita la conexión entre religión y espiritualidad en la prevención del fraude. La comprensión basada en la espiritualidad y la religión sobre la importancia del trabajo, la participación en el lugar de trabajo los inspirará a amar su trabajo y, en última instancia, les evitará actos que les harán daño a ellos mismos y a la empresa.

Palabras clave: espiritualidad; religiosidad; lugar de trabajo de espiritualidad; prevención del fraude; tesorero.

1. Introduction

Fraud in the financial statements causes information to be invalid and not in accordance with the financial reporting mechanism. According to the Association of Certified Fraud Examiners (ACFE), fraud is a fraud or mistake made by a person or entity that knows that the mistake can result in some benefits that are not good for individuals or other entities or parties (Ernst &

Young, 2009). Fraud according to terms that are generally defined as cheating or fraud in order to obtain material and non-material benefits. According to Cressey's theory in Skousen et. al. (2009), fraud triangle is usually used to identify and assess the risk of fraud. Fraud triangle consists of three components, namely: Pressure, Opportunity, and Rationalization.

Cheating financial statements that are not detected can develop into a big scandal that harms many parties (Skousen et al., 2009). This is often preceded by misstatement or earnings management from quarterly financial statements that are considered immaterial but eventually grow to massive fraud and generate annual financial reports that are materially misleading (Rezaee, 2002). In the context of management of religious organizations, the potential for fraud in financial management. The weak supervision system in finance and enforcement in the event of persuasive and familial violations make the basis for potential fraud in religious organizations. The integrity of financial managers is a key determinant of the quality of financial statements. When the integrity of financial managers is questioned, the reliability of financial statements is doubtful.

In the context of integrity in financial management, it is closely related to ethics and religiosity. But in the context of religiosity, the relationship that is associated with moral improvement becomes a debate between religious experts (Marga Putri, 2015). Where related to the improvement of morality and religiosity as a bound relationship, but there are some who state that the relationship is a separate relationship. So that raises the notion that ethics is separate from the concept of religiosity (Burks & Sellani, in Marga Putri, 2015). However, by Purnamasari and Amaliah (2015), a good understanding of individual religiosity will be implemented in their attitudes and behavior in carrying out various activities including their working lives. Attitudes and behavior will be colored by religious values they understand.

In this context King (2007) states that religiosity is different from spirituality. However, many studies have proven that both religiosity and spirituality have a positive influence on the attitude and behavior of an individual. Waisver and Angle (2002), Amaliah & Westi Riani (2011) and Amaliah (2014) found that internalization of religious values can influence ethical behavior or values of individual and personal attitudes and behaviors (Mitroff and Denton (1999). Spirituality is a process in an individual's life, in the form of meaning and purpose, and all have an impact on other individuals and their environment, including organization (Pargament & Mahoney in King, 2007) .This means that, spiritually relates to finding and expressing meaning and purpose and life is related to other people and something bigger than yourself.

So that spirituality in the workplace is a process of finding the meaning of life, and deepening knowledge to reach a higher level (Dehler and Welsh, 2003). While Ashmos and Duchon (2002) discuss spirituality in the workplace which is related to two aspects: individual experience and organizational environment. Where spirituality in the workplace arises because individuals can express themselves personally by doing the meaning of work in their community. Spirituality at work is about feeling connected and having compassion for others, experiencing meaningful inner awareness in pursuing meaningful work and allowing transcendence. Thus, this study is intended to prevent financial report fraud using fraud triangle analysis with reference to research by Skousen et al. (2009) then linked to the Concept of Religiosity and Spirituality Workplace.

2.   Literature Review

2.1.   Fraud Prevention

According to Black's Law Dictionary in Tunggal (2008: 2), fraud is defined to encompass a variety of tools whose ingenuity (guile) can be planned, carried out by an individual, to benefit others by false presentation. In Webster's New World Dictionary defines Fraud as a general term, which includes various meanings such as cunning tricks and tricks used by someone to take advantage of others in a negative way (Sudarmo et. Al, 2008). There are no rules that are permanent and without exception can be determined as general arguments in defining fraud because fraud includes shock, reason (deception), cunning and improper/ reasonable ways to deceive others. The only limitation of forgery is that fraud is carried out by people who are dishonest or cunning. So that in general, fraud contains three important elements, namely: (1) dishonest actions, (2) intentions or intentions and (3) fraud that harm others. Fraud includes all kinds of things that humans can think and do to take advantage of others in the wrong way, hide the truth, full of cunning plans and every unnatural way that deceives others or causes victims to suffer losses. (Purnamasari & Amaliah, 2015).

2.1.1. Types of Fraud

According to Steve quoted by Nguyen (2008), fraud is classified into five types, namely:

1)   Embezzlement employee or occupational fraud. fraud committed by subordinates by cheating on their superiors directly or indirectly.

2)   Management fraud. fraud carried out by top management to shareholders, creditors and other parties as users of financial statements, by providing a false presentation, usually on financial information.

3)   Investment scams. fraud committed by individuals / individuals to investors.

4)   Vendor fraud. fraud committed by an organization or individual who sells goods or services to an organization or company, by placing prices too high for goods and services or not sending goods even though payment has been made.

5)   Customer fraud. fraud committed by customers to organizations or companies that sell goods or services, saying that the items given to the customer are not supposed to or accusing the seller of giving less than they really are.

2.1.2.   Fraud Triangle Theory

The fundamental theory of this research is the fraud triangle theory. Traditional research on cheating was first carried out by Donald Cressey in 1950. Where the results of the study led to fraud factors that are currently known as the "Fraud Triangle". Where by Cressey in Hall & Singleton (2007), people who engage in fraudulent activities due to the interaction of impulses that originate in the individual's personality are related and from the external environment. This drive is classified into three general categories, namely pressure, opportunity and rationalization (Hall & Singleton, 2007).

1.   Pressure

Pressure is the drive for people to commit fraud. Pressure in non-financial matters encourages someone to commit fraud, for example actions to cover up poor performance due to job demands to get good results.

2.   Opportunity

Opportunity is an opportunity that allows fraud. Opportunities can occur due to weak internal controls, poor management supervision or through the use of positions.

3.   Rasionalization

Rationalization is an important element in fraud, where fraud perpetrators always seek rational justification to justify their actions (Molida, 2011). The existence of an attitude, character or set of ethical values that allows employees to act dishonestly, or they are in an environment that gives them considerable pressure that causes them to justify doing dishonest acts (Elder, et al. , 2008: 375).

2.2.   Religiosity

Religiosity (Religion) by Durkeim (in Glock and Stark, 1966) which was formulated as: A Religion is a unified system of belief and practices to be sacred things, that is to say, things set apart and forbidden beliefs and practices that unite into one single moral community called a Church, all those who adhere to them. In

other words, Religiosity is the attitude of someone who is shown in all aspects of life based on what is thought, felt, and believed through the teachings of the religion adopted (Glock and Stark, 1966). Religiosity activities not only occur when a person performs ritual behavior, but also when doing other activities because of the encouragement of the dimensions believed in the person. Religiosity is not only all activities that appear but also activities that are not visible. According to Glock and Stark (1966) there are five dimensions of Religiosity, namely:

1.   The ideological dimension believes that every religion has a doctrine or basis of trust that adherents of the denomination hold.

2.   The Ritualistic dimension emphasizes how much a person's commitment, loyalty, and obedience to the doctrine is believed in a particular religion.

3.   The Experiential Dimension is very close to one's feelings for supernatural powers.

4.   The Intellectual Dimension has the expectation to see how much a person's knowledge and understanding of the doctrine or basic teachings and traditions in his own religion.

5.   Consequential dimensions refer to changes in one's behavior and the way he lives his religious teachings in daily life.

2.3.   Spirituality Workplace

Spirituality Workplace is not about the practice of diversity organized, not about God or theology (Robbins & Judge, 2015: 375). Garcia-Zamor (2003) defines Spirituality Workplace as: "Recognition that people come to work has more of their body and mind; they bring unique individual and soul talents. Meanwhile, Gull & Doh (2004) defines Spirituality Workplace as; "The assumption that when people find meaning in their activities they become more involved, more responsible, more ethical, more collaborative, and thus, more creative." In this concept Spirituality Workplace is associated with activities that involve personal development, authenticity and purity, learning, involvement, seeking the truth, meaning and managing for higher goals, affection, and community activities.

Robbins & Judge (2015) defines Spirituality Workplace as: "realizing that people have an inner life that nurtures and is nurtured by useful work in the context of the community". For this reason, spirituality in the organization is positively related to creativity, job satisfaction, job involvement, and organizational commitment. So, based on this concept Robbins & Judge (2015: 375-

376) provides some cultural characteristics that distinguish organizations that implement Spirituality Workplace and those that do not:

• Policy. Value in a spiritual organization shows kindness to others and promotes happiness for workers and other organizational shareholders.

• Awareness of strong goals. Organizations that are spiritual build their culture around meaningful goals. Despite important advantages, this is not the main thing of the organization.

• Trust and respect. Organizations that are sipitual are characterized by mutual trust, honesty and openness. Workers are treated with self-respect and value, which is consistent with the self-esteem of each individual.

Based on the concepts of Spirituality Workplace will produce positive things for employees and companies. The study conducted by Marques (2007: 105), presents the results of the application of Spirituality Workplace for organizations: 1). High performance. 2). Personal growth and prosperity. 3). Organizational growth and prosperity. To that end, the encouragement of Spirituality Workplace is expected to bring benefits in the areas of creativity, honesty and trust, personal satisfaction, and commitment, which ultimately improve organizational performance (Dandona, 2013). Various studies have been carried out by previous researchers, in different organizational contexts and dimensions of Spirituality Workplace. Ashmos & Duchon (2000) classifies Spirituality Workplace consisting of two individual levels consisting of Inner life as spiritual identity (inner life as a spiritual identity), maining and purpose in work (sense of purpose) and sense of connection and community (Related Feelings and Community) which is a group level.

Meanwhile Milliman, Czaplewski & Ferguson (2003) stated that Spirituality Workplace includes; Meaningful work (meaningful work), sense of community, and alignment with organization values (alignment with organizational values). Fanggidae (2017) stated different things apart from the spirituality workplace dimension consisting of; meaningful work, sense of community, and alignment with organization values (Milliman et al., 2003), plus the dimension of "Calling". Aspects of Work as a Call, work as a call is not a general concept for the community. Traditional views view work as a career or profession, but in this study work is a call (Pierce, 2010). In spirituality in the workplace this is due to the meaning of employees on their work. Aware of not realizing this has long been taught in all religious teachings. For example; in the tradition of Hinduism and Buddhism this concept of calling is called darma, which is a holy call, a sacred duty, a sacred duty to do something. The purpose of the most important call is that humans can work thoroughly and always prioritize integrity. Job as a call is closely related to job satisfaction, because what is sought from work is not merely material.

3.   Research Methods

Qualitative Descriptive approach method is a method of data processing by analyzing factors related to the object of research by presenting data in more depth to the object of research (Yuliansyah, Hakim, and Suryani, 2015 and Yuliansyah, 2015). . Data analysis technique used in this study is an interactive method consisting of data reduction, data presentation, and conclusion drawing in an interactive form with the data collection process as a cycle (Mills and Huberman, 1992), while the triangulation of data in this study will measured through source triangulation.

3.1.   Data Analysis Technique

Researchers used descriptive qualitative methods in analyzing data. The data obtained through interviews in this study were analyzed using qualitative descriptive analysis, namely by means of the data obtained from the interviews with the informants were thoroughly criticized. Interview data in the study are the main data sources that are the material for data analysis to answer research problems

3.2.   Informant Criteria

Criteria for informants in this study were financial managers at Gereja Masehi Injili di Timor (GMIT) Kupang, Indonesia. The criteria for informants in this study were the Treasurer of the Church Finance and the Treasurer of the Construction Committee, one of the Gereja Masehi Injili di Timor (GMIT) Klasis Kupang Barat, Indonesia. In addition to the above criteria, the researcher interviewed the Pastor and Badan Pertimbangan dan Pengawasan Pelayanan Jemaat (BP3J) as supporting informants.

4.   Results and Discussion
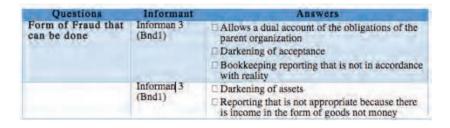### 4.1.   Pressure & Opportunity

Questions	Informant	Answers
Potential / Opportunities for fraud	Informan 1 (PDT)	Weak supervision system in finance. There are no strict and family-sanctioned sanctions. Fund receipt system that is not one-door, but all can accept
	Informan 2 (BP3J)	Lack of depth in financial supervision by the regulatory body HR from the regulatory body lacks good financial knowledge and accounting Enables multiple or more accounts
	Informan 3 (Bnd1)	The obligations of the parent organization Access to BANK Locations causes irregular fund deposits The absence of an accounting / financial information system in financial management.
	Informan 4 (Bnd2)	Inadequate financial management human resources. Bookkeeping that is not well organized Easy to get funds from various parties Uncertain sanctions Settlement is familial

Pressure on non-financial matters encourages someone to commit fraud, for example based on the results of interviews where the obligations of the parent organization allow for multiple or more accounts, to avoid liability, access to the BANK location causes irregular funds to be deposited. Whereas related to Opportunity is an opportunity that allows fraud. Based on the interview results, it can be seen that opportunities for fraud can be caused by the weak supervision system in finance, there are no strict and family-friendly sanctions, and HR from the supervisory body lacks good financial and accounting knowledge.

The link between Pressure & Opportunity in the context of fret with religiosity, As in previous research where a good understanding of religion can have implications for individual attitudes and behavior (Weaver and Agle, 2000; Amaliah and Westi Riani 2011; and Amaliah, 2014; Purnamasari & Amaliah, 2015). Internalization of religious values can influence ethical behavior or values of individual and personal attitudes and behaviors (Mitroff and Denton, 1999) and will be reflected in personal and social life (Ntalianis and Darr, 2005).

A good understanding of religion by individuals, both directly and indirectly, can detain a person from actions that are prohibited by the rules. Religion through values can be a filter that will prevent someone from committing fraud. Remembering God in every activity will make individuals feel that God is watching them. Therefore spiritually, someone will try to distance themselves from doing bad deeds even though their manager or supervisor does not exist. This attitude is important for financial managers who have enormous authority in managing finances, which allows them to refrain from fraudulent actions either because of pressure from clients or work stress. (Triana, 2010).

4.2. Rasionalization

Questions	Informant	Answers
Form of Fraud that can be done	Informan 3 (Bnd1)	□ Allows a dual account of the obligations of the parent organization □ Darkening of acceptance □ Bookkeeping reporting that is not in accordance with reality
	Informan 3 (Bnd1)	□ Darkening of assets □ Reporting that is not appropriate because there is income in the form of goods not money

An important element in the occurrence of fraud, where the perpetrator always seeks rational justification to justify his actions (Molida, 2011). The existence of an attitude, character or set of ethical values that allows employees to act dishonestly, or they are in an environment that gives them considerable pressure that causes them to justify doing dishonest acts (Elder, et al. , 2008: 375). The results of interviews with financial managers show that there is a possibility of multiple accounts due to avoidance of the obligations of the parent organization, with the aim of operational funds. Enforcement of receipts where reporting is not appropriate because there is income in the form of goods rather than money so that the value of goods can change when it is booked.

Previous research has proven that spirituality influences employee performance and organizational performance (Neck and Milliman, 1994), Osman, et.al (2010), professional commitment (Khanifaret.al, 2010), ethical behavior in the workplace (Mc Ghee & Grant, 2008), the profound meaning of work (Harrington et al, 2001), the need for achievement, the need for power and the needs of affiliates (Sulistiyo, 2011). In addition, Octaria et al. (2010) stated that spirituality in the workplace can strengthen the relationship between religiosity and the quality of work life of school teachers from the Malang Islamic School.

Religiosity and spirituality are two different things but both have relevance. A person who has a good understanding of religiosity will have a high spirituality in doing his work.

In religious teachings, working is a call from God and it is an obligation to fulfill and have material, moral and spiritual values. Therefore, individuals will work seriously and try to find the meaning of what they do, aligning the vision and mission of life with the vision and mission of the organization. (Dehler and Welsh, 2003). The effect will appear as a feeling of love for his work and proud of what his job is. Ajala (2013) stated

that individuals who can interpret the meaning of working, they will achieve wellbeing. If financial managers are able to interpret religious values and apply them in their work.

5. Conclusion

This study discusses the potential for fraud that can occur in religious organizations, especially in Gereja Masehi Injili di Timor (GMIT) Klasis Kupang Barat, where prevention can be done through strengthening the factors of religiosity and spirituality in the workplace. Based on the results of the study, it can be concluded that the conclusion that financial managers in religious organizations have the potential to commit fraud due to the existence of Pressure, Opportunity, and Rasionalization for the factors of religiosity and spirituality need to be instilled where someone who has a good understanding of religiosity will have a spirituality high in doing his work. So that a good understanding of religion by individuals, both directly and indirectly can detain a person from actions that are prohibited by the rules of work. To solve the problem of fraud, a positive economic approach is still applied. The use of normative economic approaches such as ethical and religious values is still small. Spirituality in the workplace has been widely adopted by big companies in Indonesia to harmonize spirit and strategy.

6. Limitations and Future Research

1. Subsequent research can be developed quantitatively greater number of samples so as to obtain an overview and better results.

2. In addition, research on spirituality and religiosity on fraud prevention needs to be developed in the context of other organizations.

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