

RELIGIOSITY FOR PREVENTING EMPLOYEE FRAUD

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ABSTRACT

This study aims to explore aspects of religiosity as a prevention of employee fraud in companies. This research is a qualitative study using a case study method through observations and interviews with three employees and one manager at a retail company in Indonesia. The results show that religiosity is a concern for company leaders by making religious activities a routine agenda that is followed by all employees in both formal and non-formal activities, including congregational prayers at the company prayer room, regular weekly recitations, group prayers during the morning briefing and monthly ceremonies, and other activities in commemoration of religious days. Company leaders are able to become role models for employees in implementing religiosity in daily life at the office, thus having an impact on the development of moral integrity for all employees in the company. The role model of the leadership and the moral integrity of all employees make religiosity an effective strategy for preventing potential employee fraud in the company. This research contributes to practitioners in implementing religiosity as a prevention of employee fraud in companies and to academics as literacy related to religiosity as an anti-fraud strategy.

Keywords: *Religiosity, Integrity, Employee Fraud, Anti-Fraud Strategy*

ABSTRAK

Penelitian ini ditujukan untuk mengeksplorasi aspek religiusitas sebagai pencegahan penipuan karyawan di perusahaan. Penelitian ini merupakan studi kualitatif dengan metode studi kasus melalui observasi dan wawancara kepada tiga orang karyawan dan satu orang manajemen perusahaan di sebuah perusahaan ritel di Indonesia. Hasil penelitian menunjukkan bahwa religiusitas merupakan sebuah concern dari pimpinan perusahaan dengan menjadikan kegiatan keagamaan sebagai agenda rutin yang diikuti oleh seluruh karyawan baik dalam kegiatan formal maupun non-formal, di antaranya sholat berjamaah di musholla perusahaan, pengajian rutin setiap pekan, doa bersama ketika briefing pagi dan upacara bulanan, dan kegiatan lainnya dalam rangka peringatan hari keagamaan. Pimpinan perusahaan mampu menjadi *role model* bagi karyawan dalam menerapkan religiusitas di dalam kehidupan sehari-hari di kantor, sehingga berdampak pada tumbuhnya integritas moral bagi seluruh karyawan di perusahaan. Role model dari pimpinan dan integritas moral dari seluruh karyawan menjadikan religiusitas sebagai strategi yang efektif dalam mencegah potensi terjadinya fraud karyawan di perusahaan. Penelitian ini berkontribusi kepada praktisi dalam menerapkan religiusitas sebagai pencegahan penipuan karyawan yang efektif di perusahaan dan kepada akademisi sebagai literasi terkait religiusitas sebagai strategi anti-fraud.

Kata Kunci: Religiusitas, Integritas, Kecurangan Karyawan, Strategi Anti Kecurangan

1 INTRODUCTION

Amidst the complex dynamics of business, employee fraud is an essential challenge for organizations (Kennedy, 2018; Koomson et al., 2020; Nigrini, 2019; Yekini et al., 2018). Employee fraud is a global phenomenon that not only occurs in Indonesia but also throughout the world. Employee fraud occurs in public companies (Dewi et al., 2023; Odeku, 2019), private companies (Setiawan et al., 2022; Zakaria et al., 1997), non-profit organizations (Setiawan, 2023a, 2023b; Setiawan & Alim, 2022), educational institutions (Setiawan & Cholili, 2023), information technology (Setiawan & Wahyudi, 2023), and so on. Fraud harms companies financially and non-financially, damages the company's reputation, and harms stakeholder trust.

Employee fraud often appears in various forms. Some cases of fraud involve acts of financial manipulation, embezzlement of assets, and even collusion between employees and external parties. ACFE (2017) divides employee fraud into three parts: corruption, misuse of assets, and manipulation of financial statements. The motivation behind this fraudulent behavior can vary, including financial pressure, work pressure, dissatisfaction with management, and the desire to maintain a status or lifestyle that is difficult to maintain (extravagant lifestyle) (Balogun et al., 2013; Setiawan et al., 2022).

This phenomenon occurs in large and medium-sized companies, showing that employee fraud is not a problem limited to certain sectors. Some factors that can exacerbate this situation include a lack of effective internal controls, a lack of transparency in business processes, and a lack of awareness of the risk of fraud among employees (Suh et al., 2018). Difficult economic conditions and tight business competition can also trigger

employees to engage in unethical practices in order to meet certain targets or expectations (Petterchak, 2022).

In facing such a complex threat of employee fraud, companies take various preventive measures to protect their assets, reputation, and operational integrity. One of the prevention approaches that is emphasized is the implementation of strict internal controls that reach all operations down to the lowest level (Beaulieu & Reinstein, 2020). Another prevention effort is to build an organizational culture that upholds work ethics and transparency (Setiawan & Cholili, 2023). The company realizes that creating a work environment based on ethical values can shape employees' positive attitudes towards the principles of integrity and honesty (Petterchak, 2022). This involves implementing clear ethics policies, regular training on ethical behavior, and creating open communication between management and employees.

Technical steps were also taken to strengthen the internal monitoring system. Companies adopt advanced technologies, such as cybersecurity systems and data analytics software, to monitor transactions and detect suspicious patterns (Setiawan & Wahyudi, 2023). Using automation systems for financial management and accounting can help reduce the risk of human error and minimize opportunities for financial manipulation. Clear separation of duties and regular internal audits are also important parts of the supervisory strategy to prevent abuse of authority and collusion among employees (Setiawan et al., 2023).

Another effort to prevent employee fraud in the company is to implement religiosity by implementing religious values in policies and religious activities carried out in the office. Religiosity has been proven to be an effective anti-fraud program that can be implemented in companies (Charim & Mohklas, 2020;

Hayati & Amalia, 2021; Istifadah & Senjani, 2020; Said et al., 2018). The provision of religious facilities, such as places and facilities for worship, is carried out to promote congregational prayers in the office and to hold regular study activities that are attended by all employees. Religiosity is very important to foster moral integrity in employees so that they can carry out work operations as well as possible and as an anti-fraud program within the company.

Previous research on religiosity and fraud was conducted by Said et al. (2018), who conducted a survey of 186 police officials in Malaysia with the aim of analyzing factors that can prevent fraud in the office and found that religious factors contributed negatively to fraud. This means that religiosity can significantly prevent fraud. The higher a person's religiosity, the lower the possibility of being involved in assets. Istifadah & Senjani (2020) tested the dimensions of Fraud Diamond and Personal Ethics on asset orientation tendencies with an understanding of religiosity as a moderating variable. This research uses a survey method among zakat amil in Yogyakarta, and the results show that religiosity is able to moderate the Fraud Diamond dimension and focus on assets (religiosity can reduce the potential for directing assets).

Charim & Mohklas (2020) tested the influence of individual competence and morality on fraud prevention and religiosity as moderating variables. Data was collected through a survey of 106 village officials in Grobogan Regency. The test results show that religiosity is not able to moderate between competence and preventing fraud; on the contrary, religiosity is able to moderate between individual morality and preventing fraud. This means that religiosity can increase the influence of individual morality in preventing fraud. Hayati & Amalia (2021) tested the influence of competence, internal control system, and religiosity on preventing

misappropriation of village funds. This research used a survey of 76 village officials in Sidoarjo Regency, with the results that competence had a positive effect, the internal control system had a negative effect, and religiosity had a positive effect on preventing misappropriation of village funds. This means that proven religiosity can be a preventative factor against misappropriation of village funds.

The previous research on religiosity and fraud, above all, used quantitative methods through field surveys and statistical analysis in determining the results. This research tries to provide an extension of research using qualitative methods in the form of case studies through observations and interviews with parties involved in the company, from managers as leaders to company employees who directly implement religiosity as daily behavior in the office and are able to become a prevention program against potential employee fraud. This method is used to obtain more detailed information on the research topic, so it is hoped that more in-depth analysis results will be obtained.

This research is aimed at exploring aspects of religiosity as a prevention strategy for employee fraud in companies. Furthermore, this research was conducted to answer the question, "Does religiosity have an effect on preventing employee fraud in companies, and how is it implemented?" This research is important considering the large potential for fraud originating from employees, so prevention efforts are needed so that fraud does not occur within a company. This research contributes to practitioners (company managers) in implementing religiosity as an effective employee fraud prevention program in companies and to academics in increasing literacy and understanding regarding religiosity and anti-fraud strategies.

2 LITERATURE REVIEW

Religiosity

Etymologically, the word "religion" comes from Latin, which means "to bind again," indicating that in the concept of religiosity, there are rules and obligations that function to bind individuals in their relationships with others, nature, and God (Urumsah et al., 2016). Religiosity can be defined in several contexts. Sociologically, religiosity refers to religious devotion. Religiosity includes religious appreciation and the depth of belief, which is realized through daily practices such as worship, prayer, and the study of holy books (Hayati & Amalia, 2021). Religiosity in Islam involves harmonious interactions between individuals and higher spiritual entities towards Allah as the creator of the universe (Wibowo & Sujono, 2021).

A person's religious aspects can be manifested in five dimensions (Maulana & Fahrullah, 2020), namely:

1. The belief dimension includes individual beliefs in religious teachings and doctrines. This includes belief in the existence of God or spiritual powers, views about life after death, and other religious concepts. Individuals who are strong in the belief dimension may have a firm belief in religious teachings and view them as the main foundation in their lives.
2. Religious Practice Dimension, involving participation in religious practices and rituals. This includes worship, prayer, religious celebrations, and other religious obligations. Individuals who have strong tendencies in this dimension may be actively involved in daily religious activities and involve themselves in religious rituals as an integral part of their lives.
3. Dimensions of Ihsan and Appreciation, including the depth of belief and intensity of spiritual experience. This involves a level of awareness of God's presence in daily life, a deep appreciation of religion, and practices

carried out with sincerity. Individuals who reflect this dimension may focus more on their personal experiences and spiritual relationships.

4. Dimension of Religious Knowledge, involving individual understanding and knowledge of religious teachings and principles. This includes knowledge of holy books, religious rituals, and other aspects of religious teachings. Individuals who are strong in this dimension may gain deeper knowledge about their religion and can detail religious beliefs and practices well.
5. The practice and consequences dimension includes how religious beliefs and practices are reflected in behavior and consequences in everyday life. This includes implementing religious values and ethics in concrete actions, such as kindness towards others, integrity, and social responsibility. Individuals who possess this dimension may demonstrate real commitment to their religious teachings through positive behavior and moral responsibility.

Religiosity in the corporate context can include various forms and manifestations. Some forms of religiosity within companies involve the expression of religious values and religious practices in the work environment (Ginting & Tungga Dewi, 2022). The following are several forms of religiosity within the company (Wibowo & Sujono, 2021):

1. Company policies are based on religious values. Some companies can use religious values as a basis and consideration in determining company policies. This policy is not limited to policies that support the implementation of religious practices in the workplace. This can include freedom of worship for employees in the workplace, providing comfortable places and facilities for worship, as well as other policies that accommodate employees' religious needs.

2. Religious studies. Companies can support religious organizations within the organization, which allows employees to create study forums to gather and discuss religious aspects that can increase spirituality for employees. This will have an impact on employee motivation and moral integrity, so it will improve employee performance.
3. Values and ethics. Some companies can incorporate religious values into their mission and company culture. This can be reflected in business ethics, corporate social responsibility, and general organizational behavior.
4. Employee development. Employee coaching or support programs that include a religious or spiritual dimension may also be considered a form of workplace religiosity. This may include offering spiritual counseling or mental support that includes a religious dimension.
5. Activities to commemorate religious holidays. Companies can hold several activities to commemorate religious holidays in the office that involve all employees, employee families, and the community in general.

Employee Fraud and It's Prevention

Employee fraud is a fraudulent or dishonest act carried out intentionally by employees against the company where they work and is aimed at enriching themselves (Setiawan, 2024; Setiawan et al., 2022). Employee fraud can take the form of theft and corruption, misuse of assets, and manipulation of financial reports (ACFE, 2017). This kind of fraud can harm a company both financially and non-financially. Among the forms of employee fraud that often occur in a company are (ACFE Indonesia Chapter, 2019):

1. Theft or Embezzlement: Employees may steal goods, cash, or company assets for their personal gain. This could involve stock manipulation, theft

of cash, or unauthorized use of company resources.

2. Payment Fraud and Misuse of Company Credit Cards: Employees may commit payment fraud, such as creating fake vendors or tampering with payment systems to divert company funds to their personal accounts. If a company provides credit cards to employees for business purposes, some employees may misuse the cards for their personal interests, such as purchasing personal items or vacations.
3. Corruption: Employees may be involved in acts of corruption, accepting or providing bribes to outside parties for personal gain or for the interests of a particular company.
4. Financial Statement Manipulation: Some employees may engage in financial statement manipulation to hide illegal activities or to artificially inflate the company's financial performance. This manipulation may involve creating false transactions, falsifying documents, or inflating income.

The phenomenon of employee fraud in a company can be explained using the fraud triangle theory proposed by Donald Cressey (1950). This theory provides a framework for understanding the motivation behind fraudulent acts and emphasizes three main factors that encourage someone to commit fraud, namely financial pressure or motivation, the opportunity to commit fraud without being detected, and rationalization or self-justification for unethical actions. When these three factors occur, the risk of employee fraud becomes higher and occurs in a company.

Employee fraud can be a serious threat to companies. The impact is not only limited to financial losses but can also damage the company's reputation, destroy the trust of employees and business partners, and create an unhealthy work environment (Setiawan & Cholili, 2023).

Therefore, preventing employee fraud is very important for maintaining company sustainability and integrity. The following are several prevention strategies that can be implemented (ACFE, 2017):

1. Effective Internal Monitoring System:
 - a. Conduct regular internal audits to assess the effectiveness of internal controls.
 - b. Ensure there is a clear separation of duties and responsibilities to reduce the risk of manipulation by one individual.
2. Employee Education and Training:
 - a. Organize business ethics training, security policies, and fraud prevention measures for all employees.
 - b. Ensure employee understanding of the legal and corporate consequences related to employee fraud.
3. Careful Background Check:
 - a. Conduct thorough background checks before hiring new employees.
 - b. Thoroughly check references and employment histories.
4. Anti-Crime Policy and Business Ethics:
 - a. Develop clear and firm internal policies regarding employee fraud.
 - b. Encourage and implement a positive business ethics culture throughout the organization.
5. Safe and Confidential Reporting System:
 - a. Provide a safe and confidential reporting channel for employees to report fraud without fear of repression.
 - b. Respond quickly to the report and take appropriate action.
6. Monitor Financial Transactions:
 - a. Monitor financial transactions and identify suspicious patterns or anomalies.
 - b. Using technology to support financial analysis and early detection.
7. Examination of Technology Use:

- a. Ensure strict access control to company systems and data.
- b. Conduct regular checks on the use of technology to prevent fraudulent acts.

Prevention of employee fraud is not only the responsibility of the finance or internal audit department but is also the responsibility of all levels of management and every employee. By implementing a holistic and integrated prevention strategy, companies can reduce the risk of employee fraud and build a work environment that is trustworthy and has integrity.

3 RESEARCH METHOD

This research is qualitative, using the case study method. Case study research is an in-depth research approach to one case or a limited number of cases, with the aim of understanding thoroughly and in depth a particular phenomenon in its natural context (Sugiyono, 2020). Qualitative research focuses on an in-depth understanding of the context, meaning, and complexity of the phenomenon being studied. This approach emphasizes data interpretation, exploration of contextual aspects, and capturing participants' experiences and views.

Data collection was carried out through observation by observing directly at the research object and conducting interviews with three employees and one company management person at a retail company in Indonesia. Observation in data collection allows researchers to observe behavior or situations without subjective interpretation. Collecting data through interviews can provide an in-depth understanding of individual perspectives and motivations, give researchers control over questions, and create relationships that allow respondents to be open. The combination of the two can provide a more complete and contextual picture, increase validity, and support an in-depth understanding of the phenomenon under study (Hermawan & Amirullah, 2016).

Interviews were conducted with several informants from all departments to obtain a comprehensive picture that represents the views of employees from each department. The informant profile is shown in table 1.

Table 1
Informan Profile

Name	Title	Age	Religion	Education	Tenure
Mr A	Finance Manager	36	Muslim	Bachelor's degree	13
Mr B	Sales Person	40	Muslim	Bachelor's degree	15
Mr C	Aftersales Person	29	Muslim	Vocational School	5
Mr D	Finance Staff	34	Muslim	Senior High School	10

The data analysis process in this research was carried out in several stages (Sugiyono, 2020): 1) data transcription, involving transcription of interviews and observations into text form, and converting voice data or observation notes into written form; 2) Data coding, assigning codes to pieces of text that represent certain concepts or themes so as to help in organizing and grouping data; 3) Categorization and themes: grouping data into broader categories or themes that emerge from the data so that it can help identify patterns or relationships between emerging concepts.

4) Concept or theory modeling, building an understanding or theory that explains the phenomenon under study by involving identifying relationships between concepts and developing new concepts; 5) Triangulation, ensuring the validity and reliability of findings by using more than one method or more than one data source to confirm findings, 6) Presenting results in the form of a report or research paper involving a thorough case description and interpretation of findings based on a theoretical or conceptual framework; and 7) Reflection and discussion by considering the impact of the research on their understanding of the phenomenon under study, comparing the findings with previous research, and exploring practical implications.

4 RESULT AND DISCUSSION

Profiling the Research Site

The object of study is a branch of a multinational company in Indonesia. This company operates in the retail sector, where it sells products directly to end customers. This branch is led by a branch head and three department managers with 100+ employees. There are three departments: sales, after-sales, and finance. The sales department is responsible for selling products to end customers; the aftersales department is responsible for maintenance and spare parts as aftersales services; and the finance department is responsible for administrative and financial processes that support sales and aftersales operations. All branch officials of this company are Muslim, and the majority of employees are also Muslim; only a small portion are non-Muslim. The application of religiosity in this company uses Islamic religious values in the form of the teachings of rahmatan lil-alamin, including universal ethics and morals, which can provide goodness for all employees.

The selection of a retail company as a case study takes into account the business nature of this company, which sells products directly to end customers, thereby allowing employees to interact directly with customers, in which there are payment activities and the handing over of money in cash from customers to employees. This activity is very vulnerable to the potential risk of employee fraud, with one method being that money originating from customers is not deposited into the company but is used for the employee's personal interests.

Religiosity at Research Site

This company is a retail company with a high transaction rate and sells directly to end customers. Product sales through the sales team and after-sales service through the after-sales team. They all interact directly with customers.

Receiving customer money is done not only through the cashier at the office but also through the sales team when the goods are delivered at the customer's location. This makes the potential risk of fraud very high, and when fraud occurs, it will cause large losses to the company. In anticipating the risk of fraud, company management creates a prevention program so that fraud can be minimized and avoided.

This company is led by a branch head and three department heads, all of whom are Muslim. In formulating a prevention program, company management brainstormed what programs would be implemented, and one of the things proposed was to use a religious approach. Mr. A stated:

“Despite the large number of our employees and no matter how good the internal control implemented by the company is, we still cannot reach 100 percent of employees who do not commit fraud. We need to create a prevention program to raise the awareness of each employee to jointly carry out work according to operational standards and support internal control. One thing we can do is approach religiosity”.

Several religious programs are well planned and managed, involving all company employees, including:

1. Preparation of a budget in the Annual Master Budget to support all religious activities, so that activities can be carried out well in accordance with the schedule and budget that have been made.
2. Formation of religious organizations through management and activity committees consisting of management and employee elements so that they can focus on organizing religious activities.
3. Make a schedule of religious activities for a one-year period consisting of the activities, plans for implementing the time and place, and the person responsible for the activities.
4. Implement activities involving all employees and several activities involving the community around the

company in order to foster good relations with the environment.

Among the religious activities routinely carried out by the company are:

1. Congregate prayer in the office prayer room.
2. Routine islamic studies every Thursday by inviting Ustadz from the surrounding area.
3. Monthly islamic studies at the beginning of each month by inviting Ustadz from the city or region.
4. Breakfast together in Ramadan.
5. Halal bihalal on Eid al-Fitr
6. Slaughter of sacrificial animals on Eid al-Adha
7. Actively participate in religious activities held by the surrounding environment.

Religiosity Develops Employee Moral Integrity

Religiosity is able to foster moral integrity among employees (Ginting & Tingga Dewi, 2022). When someone has strong religious beliefs, this is often reflected in their daily behavior and decisions, including in the work environment. Religion provides a clear framework of values and ethics that can guide individuals in dealing with various moral situations. In the context of employee compliance with company operational standards, compliance with religious values can help shape employee character. Religiosity can teach values such as honesty, integrity, and responsibility (Jaya & Sukirno, 2020). Employees who practice their religious beliefs tend to have a solid moral foundation and are therefore more likely to adhere to ethical principles in the workplace. Religiosity can also motivate employees to behave well and make positive contributions in the work environment. Mr. A stated:

“Through a religious approach, it is hoped that we can maintain the moral

awareness and integrity of employees so that they always act honestly and responsibly”

The belief in moral accountability to God or some divine entity can be an incentive for employees to act well, even when there is no direct supervision. As is the teaching of Islam, it is contained in the following verses of the Qur'an:

“Indeed, Allah knows the unseen in the heavens and the earth. And Allah is all-seeing of what you do” (QS. Al-Hujurat: 18).

“Whoever does good deeds as heavy as dzarrah, surely he will see the reward, and whoever commits a crime as big as dzarrah, surely he will see retribution for it too” (QS. Az-Zalzalah: 7-8).

Religiosity in Islam has a central role in shaping personal integrity and moral behavior. A firm belief in religious values, such as honesty, justice, and responsibility, is the basis for employees to carry out their duties as well as possible. Islam teaches that every deed, whether visible or hidden, will be accountable to Allah. Therefore, employees who apply religious values to their work tend to prioritize integrity in every aspect of their work life.

Religiosity provides a strong moral boost, encouraging employees to work with dedication, honesty, and responsibility, thereby creating an ethical and harmonious work environment (Setiawan & Wahyudi, 2022). The integrity gained through Islamic values also creates strong social bonds among employees, resulting in mutual trust and productive cooperation.

Religiosity also creates a social bond between employees who share the same religious beliefs. This can strengthen the values of solidarity, mutual trust, and cooperation within a team or organization (Wibowo & Sujono, 2021). In this context, the social aspects of religion can have a positive impact on organizational culture, creating a work environment filled with strong moral norms.

Religiosity is also significant in encouraging employees to avoid fraudulent behavior at work. A strong belief in religious values is the main guide for employees to act sincerely and ethically in every aspect of their work. The belief that God witnesses every action and decision creates a deep sense of moral responsibility. Employees who live their lives based on religiosity are more likely to avoid fraud because they realize that these actions not only involve humans but also that the consequences will be held accountable in the afterlife. Religiosity creates strong internal controls, encouraging employees to act in accordance with the moral norms of their religion.

Leaders as Role Models in Religiosity

Based on the results of observations and interviews with several company employees, the implementation of religiosity in the company is greatly influenced by company management, who are able to become role models for all employees. Company management is a pioneer in every religious activity and is able to be a role model in every action and speech. In every company agenda, both formal and informal, company management always reminds employees of religious values and the importance of moral ethics in daily life so as to foster integrity in each employee.

Mr. B said, *"Our leadership is very concerned about instilling religious values in daily life in the office and always reminds us to always observe prayers and other forms of worship wherever we go. At the office, congregational prayers are held, and our leaders are always present and attend congregational prayers on time."*

Mr. C said, *"Our company routinely holds regular Islamic studies once a week by inviting Ustadz from the surrounding area and once a month by inviting Ustadz from the city or region. This activity increases religious knowledge and also*

increases enthusiasm for employees to work as well as possible."

Mr. D said, "The company management really supports religious activities in the office, including the costs of activities, which are always provided in full in accordance with the proposal we submitted and which was approved in the annual master budget. Funds for religious activities are very important to support the smooth running of activities."

Company leaders have a central role as strong role models in instilling the value of religiosity in the work environment, thereby forming moral integrity and responsibility in every employee. When a company leader practices and promotes religious values, this creates a work climate where integrity and responsibility are the cornerstones. Leaders who consistently demonstrate adherence to religious principles will provide a strong example for employees when facing various ethical and moral challenges in the world of work.

The importance of religious values in corporate leadership can be seen in the way a leader decides, communicates, and interacts with his team. When leaders demonstrate exemplary performance of their duties with integrity, employees tend to respond in a similar way. Belief in divine power and awareness of moral responsibility before God encourage employees to act honestly, fairly, and responsibly in their duties.

In addition, leaders who understand and respect the diversity of beliefs among employees create an inclusive environment that encourages each individual to express their religious values without fear of discrimination. This establishes an organizational culture that respects moral and ethical values originating from various religious backgrounds.

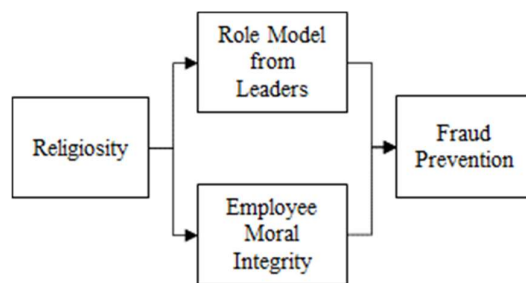
With a leader who makes religious values the basis for making decisions and acting, employees feel inspired and motivated to follow in the same footsteps.

In the long term, this approach not only creates employees with strong character and integrity but also builds a company image that is respected in the eyes of society. As a result, moral integrity and responsibility become the main pillars of organizational culture, creating a moral and productive work environment. Thus, the role of company leaders as role models in instilling religious values is the key to shaping employee character and achieving collective success.

Religiosity as a Deterrent Against Employee Fraud

Figure 1 illustrates the implementation of religiosity for preventing fraud in the company. Religiosity is implemented well in the company, and managers are able to become role models in its implementation and foster employee moral integrity. The implementation of religiosity, which is supported by leaders as role models and employees who have moral integrity, can be a fraud prevention strategy in companies.

Figure 1
Implementation of Religiosity for Preventing Fraud



Source : Create by Author

Religiosity can cultivate moral integrity and a sense of belonging to the company. Moral integrity fosters commitment and a sense of responsibility to work at its best, safeguard company assets and guard against the tendency to cheat (Barylska, 2013). Employee moral integrity

is key in protecting the company from fraud. Employees with high levels of integrity to the company are less likely to be involved in fraudulent acts. Integrity can represent an emotional attachment to the organization, and employees feeling connected to the company's values may be more inclined to adhere to ethics and comply with company rules (Fadhila & Achmad, 2023; Subhan et al., 2022).

Religiosity is able to prevent employee fraud in the work environment (Ginting & Tungga Dewi, 2022; Wibowo & Sujono, 2021). This can also be seen when observing companies, where employee fraud is very rare and there are no company records of company losses due to employee fraud. Some company losses due to fraud are caused by customer fraud, and nothing is done by employees. Several interviews with employees also resulted in the explanation that employees have internalized the values of ethics and moral integrity due to the practice of religiosity in daily life at the office.

When religious values are reflected in daily behavior and decisions, employees tend to develop strong character based on integrity and moral responsibility. The belief in accountability before God creates effective internal controls, reducing the temptation to engage in fraudulent or unethical behavior. Religiosity teaches clear moral principles, such as honesty, justice, and integrity, which are the basis for preventing fraud.

Employees who live by religious values are more likely to prioritize truth and integrity in every aspect of their work. The belief that God witnesses every action and decision creates a deep sense of responsibility. Therefore, they tend to stay away from behavior that violates moral and ethical norms. The value of religiosity can create a work environment that is more transparent and based on justice. Employees who feel the presence of religious values in managerial decisions and company practices tend to feel valued

and treated fairly. This can create a strong sense of attachment to the company, reducing the incentive to commit fraud that could be detrimental to the organization.

5 CONCLUSION

This research is aimed at exploring aspects of religiosity as a prevention strategy for employee fraud in companies. The results of the research show that religiosity is a concern for company leaders by making religious activities a routine agenda that is followed by all employees in both formal and non-formal activities, including congregational prayers at the company prayer room, regular weekly recitations, group prayers during the morning briefing, monthly ceremonies, and other activities in commemoration of religious days. Company leaders are able to become role models for employees in implementing religiosity in daily life at the office, thus having an impact on the growth of moral integrity for all employees in the company. The role model of the leadership and the moral integrity of all employees make religiosity an effective strategy for preventing potential employee fraud in the company.

This research contributes to practitioners in implementing religiosity as an effective prevention of employee fraud in companies and to academics as a literature related to religiosity as an anti-fraud strategy. This research has limitations in the context of generalization, where the findings may be limited to certain company characteristics and cultures. Future research suggestions could involve a more in-depth analysis of contextual factors and company characteristics that can moderate the relationship between religiosity and employee fraud prevention.

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