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THE RELATIONSHIP BETWEEN PERCEIVED PRESSURE, PERCEIVED OPPORTUNITY, PERCEIVED RATIONALIZATION AND FRAUD TENDENCY AMONG EMPLOYEES: A STUDY FROM THE PEOPLE'S TRUST IN MALAYSIA

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Abstract:

This study empirically investigates the relationship between perceived pressure, perceived opportunity, perceived rationalization, and fraud tendency in people's trust at the individual level in Malaysia. The study adopted a case study that focuses on the Indigenous People's Trust Fund (Majlis Amanah Rakyat, MARA), a trust body fully supported by Malaysia's government. Recently, corporate fraud has gained much attention in Malaysia, which negatively affects foreign investors' perception. In Malaysia, several empirical studies were done on fraud, but fraud study in people's trust and organization linked to the government is scanty. This study applied a quantitative method of correlation and multiple regression. From 177 respondents, the study uncovered that fraud tendency is high in people's trust. This study suggests that follow up analysis and fraud control policy needs to be done in Malaysia's organization. The study also reveals that perceived opportunity is considered as a significant variable influencing employees to commit fraud. The study's outcomes are in line with past studies on the actual and generalization of "Fraud Triangle Theory." It has practical implications in governance, internal control, fraud control, and employee hiring process.

Key words: *Fraud Triangle, People's Trust, Corporate Fraud, Corporate Governance, White Collar-Crime*

1. Introduction

Corporate fraud is becoming a public interest focus for main stakeholders such as regulators, investors, boards of directors, academicians, and the public. After the explosion

of corporate governance in 2000 and the financial crisis in 2007, regulatory controls and monitoring have increased to mitigate opportunities and incentives for fraud activity. An organization is a group of different stakeholders, namely clients, staff, investors, suppliers, society, and government. In all its transactions, an organization should be fair and open to its stakeholder (Ramakrishnan, 2008). Global integration scenario is imminent, allowing the business organization to the vast resources and competitiveness in a global market. Therefore, the business ultimately needs to accept and display ethical behaviour to succeed and survive in the long run. The sustainability of business organization benefitting the primary stakeholders and society (Muhammad Aiman, Izaura, & Anisa Safiah, 2019), considers its positive impact on society and the environment.

The greed of individuals and organizations has risen sharply in recent decades and has already gained an overwhelming presence in our lives and societies. The collapse of Enron WorldCom, Toshiba, Wells Fargo, Danske Banks, The Carillion, and the recent fraud scandal of 1 Malaysia Development Berhad (1MDB Scandal) have disturbed public trust confidence. Similar cases in Malaysia in local business organizations such as PKFZ, Perwaja Steel, and the 1977 Bank Rakyat fraud scandal drew national attention. The recent case of 1MDB, which involved the former prime minister of Malaysia, tarnish Malaysia's reputation and, shaking public confidence towards government-linked corporations, caused the government coalition alliance to lose power in Malaysia's General Election 2018. Business organization greed and corruption remain a critical danger to both macro-micro economic and financial prospects (Gupta & Gupta, 2015) and causes significant financial losses and untold damages to investor confidence and the economy at large (Dong, Liao, & Zhang, 2018). CIMA (2009) fraud crime refers to a perpetrator utilize deceit and cheat for personal benefit, simultaneously causing others loss, such as use his/her position advantage, making a false representation, or being bias against someone for own benefit. The business organization fraud activity, primarily carried out by employees of white-collar.

The offence is also perceived as a white-collar crime. White-collar criminality refers to the money-driven non-violent crime perpetrated by employees from corporations or governmental bodies. For instance, white-collar crime is commonly expressed in financial statement error, stock market manipulation, industrial bribery, government officer bribery for favourable contracts agreement, manipulation of advertising, misusing organization funds, and corruption. (Sutherland, 1940). Business organization fraud can be concluded as action taken by individuals or groups of people in a business organization deceptively and illegally to benefit the offender. The fraud crime has gained worldwide special attention as it could harm both the company and the economic climate. For companies with corporate fraud, such disclosure damages fraudulent organizations' credibility and increases the perceived asymmetry of knowledge between owners and executives, thus triggering difficulties in acquired external funds (Yuan & Zhang, 2016). As a result, fraud revelation may decline corporate financing (van Driel, 2019). The revelation of fraud could also cause a negative domino effect on the organization. After an explosion of fraud issues at the beginning stage, the business organization may face a public boycott, shareholders running away, creditors brought legal action against the organization, and mass media attention, which may jeopardize its reputation and image.

Business organizations cannot secure profitable projects at the next stage, the decline in business growth, legal damage, loss of crucial stakeholders support, loss of talented human resources, and eventually bankruptcy, as evident from Enron's case.

Association of Certified Fraud Examiners (2018) estimates the loss of global fraud at 4 trillion USD. Generally, fraud crime incline to happen due to the terrible governance, effective control, and agency problem between owners and executives (Abdul Kadir, 2013; Porter, 2009; Yu, Zhang, & Zheng, 2012). Fraud crime is prevalent in the banking sector. For instance, HSBC staff at its multinational branches found laundered trillions of dollars for crime syndicates, extremist and outcast state (Carlin & Lokanan, 2018) and mortgage insurance Citigroup fraud involving the two bank managers, resulting in a 158.3 million dollar settlement and recognition of the bank's misconduct (Waytz & Kilibarda, 2017). These cases showed conclusive proof that bad governance and lack of coordination and monitoring can exacerbate criminal activity in the business organization.

Corporate crime is not a new problem in Malaysia, and the incidence is rising according to the cases registered each year. According to a (KPMG, 2013) study in Malaysia, around 89 % of respondents thought fraud rose over the last three years, whereas 94% felt that fraud was sophisticated. 85% believe fraud is increasingly associated with industry and targeting those business operations. 80 % of respondents have shared that the rate of graft and corruption has risen in the past three years. One of Malaysia's most prominent cases of corporate fraud involves Bank Bumiputra Commerce fraud. The scandal led to Jalil Ibrahim, bank assistant general manager, being killed. The case subsequently explicitly shows that corporate governance and corporate fraud have a strong affinity.

Similarly, almost all business frauds occurred in Malaysia, comprising political cronyism and its proxies. As reported by (Liew, 2008), several factors influence corporate fraud factors, such as political nepotism, cronyism and corruption; low regulatory structure to protect shareholders and investors; lack of accountability and inadequate disclosure of information, and inadequate audits and risk management. Yet, fraud cases frequently taking place in Malaysia, but the study is not well reported and well-undocumented (Jaffar, Ismail, & Hway Boon, 2011; Kamal, Salleh, & Ahmad, 2016), due to retaliatory effect by employers as suggested by (Aisyah Basri, Daud Marsam, Majid, Abu, & Mohamed, 2017; Alford, 2016; Guthrie & Taylor, 2017; Kanojia, Sachdeva, & Sharma, 2020). From the given evidence, research on corporate fraud is essential to fill in Malaysia's loopholes since there is a lack of research studies in this area and to mitigate the upward fraud trend.

This study focuses on the employee's perspective on fraud causal that motivates them to commit fraud in the Indigenous People's Trust Fund of Malaysia (Majlis Amanah Rakyat, MARA). MARA was selected because of its contribution to the development of Malay's ethnicity and Bumiputra. Furthermore, it has a range of subsidiary businesses, including education institutions, public transportation, and investment agencies, and planned to establish the first-ever countryside bank in Malaysia. MARA is the most massive people's trust organization in Malaysia, supported by Malaysia's government. It was created following Article 153 of Malaysia's Federal Constitution for preferential treatment and rights of Malay and Bumiputra. In 2016, Malaysia's government allocated RM 3.7 billion to MARA and funded 72,000 university students. However, in the same

year, the Malaysian Anti-Corruption and Commission (MACC) have arrested five business people concerning the RM 2.5 million MARA fraud loan case (The Star, 2016).

Lastly, in 2015, MARA was alleged with the involvement in a property scam in Australia, amounting to \$22.5 million. The price paid was overinflated, and \$4.75 million was “pocketed bribes” (MACC, 2015; The Edge Markets, 2015). Thus, this study wants to examine the employees' corporate fraud tendency in MARA using the Fraud Triangle Theory.

2. Theoretical Background and Hypothesis Development

2.1 Indigenous People's Trust Fund (Majlis Amanah Rakyat, MARA)

Malaysia is among a few countries where the native communities known as Malay rule and shape the country for their kin benefits, practised positive discrimination. The establishment of MARA is associated with Article 153 of the Constitution of Malaysia. It is the most controversial article in the Malaysian constitution, which provide special privilege to the Malays and Bumiputra. The implementation has led to the business organization's native action policies that benefit only the Malays and Bumiputra, who comprise most of the population. Indigenous People's Trust Council, or in Malay as Majlis Amanah Rakyat (MARA), was formed in March 1966 under the Rural National Development Ministry. Previously, it was inaugurated as Rural Industrial Development Authority (RIDA) in 1951 by the British colonial administration, a program to support and provide economic assistance to Malay farmers and rural inhabitants. In pre-British or colonial times, the Malay economy was sluggish and marginalized (Abdul Kadir, 2013). Therefore, MARA is regarded as an umbrella a part of positive law to protect the indigenous people from being swamp up by the immigration of Chinese and Indian workers into Malaya. Because of British policies in Malaya, divide and conquer, the economics are imbalanced as Malays remain as farmers, while Non-indigenous filling commercial and industries sector (Beaglehole, 1969). MARA's establishment was a mutual consensus between the indigenous people and the immigrants as a trade for their citizenship. Nowadays, MARA leads the Malay and Bumiputra aspirations to assist them in entrepreneurship, education, investment, and equity ownership (Abdul Kadir, 2013).

2.2 Corporate Fraud

Corporate fraud is generally conducted by working people. Association of Certified Fraud Examiners (2018), fraud can be divided into three significant blocs: financial statement fraud, asset misappropriation or misappropriation and corruption, with financial statements error producing the highest expense, but less frequent than asset misappropriation. For example, the erosion of shareholder value, creditors, consumers, and suppliers or financial harm to employees and governments (Velikonja, 2013). Sadaf, Oláh, Popp, & Máté (2018) argues that improved regulation on corporate

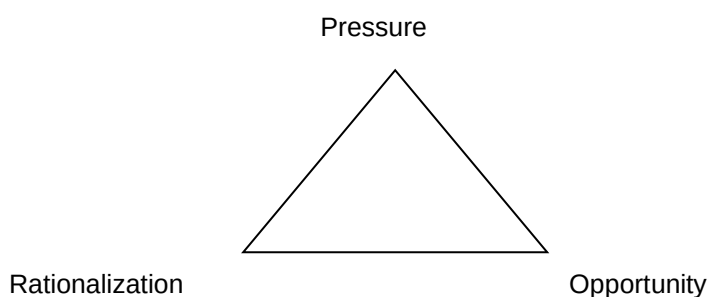
fraud by governments and political stability may reduce the number of frauds. Due to the high cost involved, mitigating corporate fraud's tremendous costs in corporations and society, in general, would be necessary (Haß, Müller, & Vergauwe, 2015). With all that, it is no wonder that the world of academia and governments were even keener to explain the causes of accounting fraud. The latest work has shown that the study of accounting irregularities has increased dramatically in recent years. Multiple empirical studies on corporate fraud showed that senior management regularly engaged in fraud and mistreated business organizations had long-lasting negative impacts. Many papers relate fraud to managers' equity compensation (Burns & Kedia, 2006; Chen, Wang, & Xing, 2020; Khanna, Kim, & Lu, 2015; Suh, Sweeney, Linke, & Wall, 2020). Some studies link corporate board and issues of governance as the main factors of fraud (Asyiqin, Razali, & Arshad, 2014; Fairchild, Gwilliam, & Marnet, 2019; Hayek & Atinc, 2018; Lai, Lei, & Song, 2019; Li, Kim, Wu, & Yu, 2019; Martins & Júnior, 2020). In terms of long-lasting effect, (Jonathan, D. Scott Lee, & Gerald, 2008) analyses the listed business organizations' financial fraud and concludes that the business organization loses its valuation due to reputational damage. This reputation is 7.5 times more costly than legal sanctions. Graham, Li, & Qiu (2008), studying the impact of debt-holding financial restatements, found business organizations with financial restatements generally have higher debt costs and tighter credit contract terms. Chava, Huang, & Johnson (2018) demonstrate that there are enduring repercussions for an expanded spread and lost credibility of falsely reporting business organizations. Lastly, (Firth, Rui, & Wu, 2011) found that business organizations that falsify financial reports result in a negative abnormal return on a stock, higher capital costs, broader bid spreads, and more confused audit opinions. The detrimental effects of corporate fraud can be extended to the employees and also fraudulent individuals. Choi & Gipper (2019) find that the employee salaries of fraud companies decrease by 9%, and the turnover rate is 12% higher during and after fraud times. The growth of jobs in fraud companies during fraud periods is positive and negative afterwards. The fraudulent managers suffer from personal repercussions for work loss, limitations on potential jobs and business shareholdings, and even offender charges (Karpoff et al., 2008b).

2.3 Fraud Triangle Theory

The fraud crime is easily interpreted based on the "Fraud Triangle," an initial hypothesis drawn up by Donald Cressey in 1953 and updated on many occasions, recently in the early 1970s, has been very carefully explained. This definition comes from sociological literature that used it as an empirical justification for fraud that explains three necessary conditions for offences: pressure (burden or force in life), opportunity (suitable conditions), and rationalization (moral justification of action). The theoretical definition of Cressey focused on individuals and defined improved internal organizational control mechanisms as anti-fraud dissuasion. Therefore, the 'Fraud Triangle Theory' can be discussed as the first model to describe individual factors for job fraud. The theory was conceived by Cressey in 1950, when he began the thesis on

fraud, which led to human beings committing fraud (Cressey, 1953). He interviewed 250 offenders whose actions met two requirements: those who initially embrace good faith obligations and (ii) conditions that make them breach those deeds. He stressed three factors that affect people: strain, opportunity, and rationalization, to break their trust. For example, pressure: financial pressure or to achieve business organization objectives; opportunity; a condition that allows for fraud like lax internal controls, or no fraud occurs, and rationalization; mentalities of people that justify a fraud (Cressey & Sutherland, 1951). For fraud to happen, there must be three elements: pressure, opportunity, and rationalization.

Figure 1: Fraud Triangle (Cressey, 1953)



2.3.1 Pressure

The burden or "need" of a person usually feels a financial struggle—a person who is inspired by material desire or has difficulty solving his or her financial troubles. The fraud triangle (Cressey, 1953) believed that pressure to commit fraud could either be identified financially or non-financially, based on individual motives. He also described pressures divided into lifestyle, personal pressure, employer pressure to reach business organization goals, and external pressure. In a study by (Levi, 2008), it has been shown that persons who commit fraud based on the maximization of wealth or pure economic motives. Pressures often include strong determination to fight the system, discontent, a sense of vengeance, borrowing problems, and greed. The motivation of people is expressed in the form of monotonous pressure, whether financial pressure or not. The offender may have issues with gambling, addictions, or personal difficulties that have caused fraud. Goldstraw, Smith, & Sakurai (2005) argue that covetousness, gambling, financial difficulties-whether personal or corporate-are the critical drivers of unethical business activity among employees. In Australia, for example (Crofts, 2002), gambling-related crime is a significant factor in the activity of corporate fraud.

The pressure is vital to shape a fraud triangle because it offers incentives/motivation for the offender to carry out the operation. The findings of several researchers (Avortri & Agbanyo, 2020; Bhasin, 2016; Said, Alam, Ramli, & Rafidi, 2017) confirmed that pressure is a significant determinant of fraud activity. The

incentive/motivation of fraud is regarded as “extremely reasonable to ignite perpetrator’s act. Commonly, the perpetrator knows the consequences if he/she will face upon the revealing of fraud action. Hence, without strong pressure, an individual will not dare to carry the act. The pressure element is associated with “worthy or not worthy,” and it’s non-shareable in the fraudster’s eyes. Liska & Messner (1999) the alleged person who commits fraud is motivated based on several reasons which are deemed very fair to them, and the acts are justified to the perpetrator. They do not feel unethical as it is must be done due to the pressure they feel. Often, the person believes that their problem must be carried in secret for whatever reasons, and most of the time, pressure comes from a significant problem (C. Albrecht, Holland, Malagueño, Dolan, & Tzafrir, 2015). For some, it is merely a desire for a lifestyle they could not afford it. Besides, unreasonable goals and objectives motivate employees to commit fraud (Cressey, 1973), such as achieving irrational target sales.

Hypothesis 1: *There is a positive relationship between perceived pressure and tendency to do fraud among MARA’s employees.*

2.3.2 Opportunity

Opportunity is often referred to as a perceived opportunity that determines the way fraud crimes are committed. Turner, Mock, & Srivasta (2003) believed that personal motives were unnecessary for the perpetrator to commit fraud unless a chance existed. Fraud appears to be committed with insufficient internal control, inferior employment division, and routine audits. Many factors cause fraud – knowledge of the flaws of the organization’s internal control processes, access to accounting documents or resources, lack of enforcement, unethical behaviour, and overconfidence by the offender. Generally, (Mackevičius & Giriūnas, 2013) have indicated that fraud propensity would increase because of lack of control on the asset, procedure, and accounting of the business organization, especially if fraud conditions are just right for employees. Other studies support the statement that internal control vulnerabilities can be significant motivating forces for fraud to be conducted (Akomea-Frimpong, Andoh, & Ofori-Hene, 2016; Asmah, Atuilik, & Ofori, 2019; Zakaria, Nawawi, & Puteh Salin, 2016). The opportunity in fraud is considered to be at the core of fraud activity, as fraudsters can carry out the act if they can find or detect weakness in business organization structure and systems. The pressure alone cannot inspire fraud presence in line with the Cressey model. Despite a high incentive/motivation, if there is no weakness in the organization’s system or process, a person does not dare to conduct corporate fraud. The vacuum in the system, whether through fraudulent expertise on business processes or through human mistakes or system malfunctions, lack of corporate care, inability to provide ethics training, and promoting good working values for employees.

Hypothesis 2: *There is a positive relationship between perceived opportunity and tendency to do fraud among MARA’s employees.*

Hypothesis 3: *Perceived opportunity is the most influential variable in driven fraud tendency.*

2.3.3 Rationalization

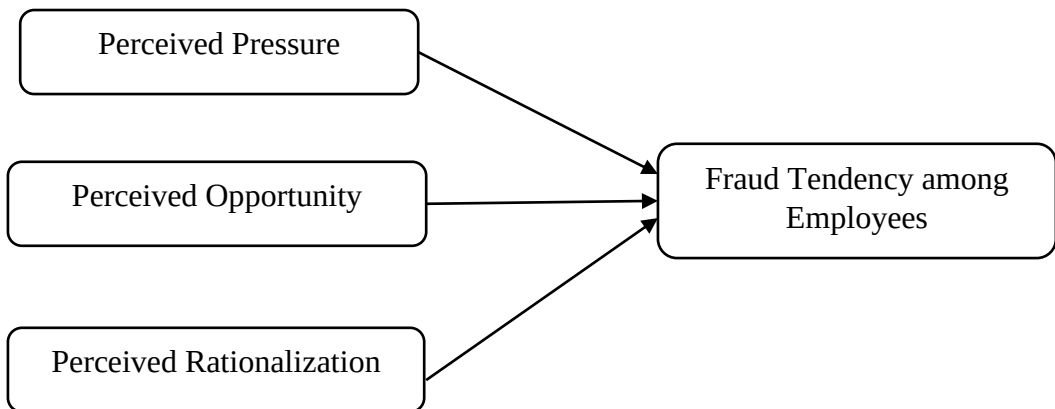
The rationalization refers to the efforts of the employee to explain a crime. It is a cognitive process whereby a person can understand and justify actions or acts his/her take. According to (Grace & Peter, 2001), fraudulent people typically need sound reasoning for the worthy purpose, such as "none of us should suffer," and "managers deserve more because they exploit me." Among others widely excuses and justifications for theft, such as "borrowing" and intended as compensation when their financial condition is turned around. In most fraud activities, rationalization is a crucial factor. For instance, (Akomea-Frimpong et al., 2016; Amin, 2018) rationalization has been lively for employees' fraudulent activity. Weak remuneration is commonly found as a basis for fraud rationalization among employees (Akomea-Frimpong et al., 2016; Bonsu, Dui, Muyun, Asare, & Amankwaa, 2018). Rationalization is necessary for fraud to reassure criminals' feelings by making them believe that they do the right thing or that everybody will do it if a change occurs. The offender must rationalize his / her actions and the widely accepted notions of dignity and trust. Some common rationalizations of fraud initiatives are that if they do not take the money, and nobody supports them, they are on their own (Grace & Peter, 2001). They are justified to save family members or loved ones. Lastly, the lack of awareness of fraud can also contribute to fraud and can be related to rationalization factors in the theory of fraud triangles (Omar, Nawawi, & Salin, 2016).

Hypothesis 4: *There is a positive relationship between perceived rationalization and tendency to do fraud among MARA's employees.*

2.4 Conceptual Frameworks

Figure 2 illustrates the relationship of perceived pressure, perceived opportunity, and perceived rationalization and fraud tendency among employees. The "perceived" verb is using to indicate the conscious level of employee to commit fraud. The framework was adopted from Cressey's Fraud Triangle theory.

Figure 2: Conceptual Framework of Fraud Tendency



Source: Adopted from the Fraud Triangle Framework (Cressey, 1953) with some modifications

3. Data and Methodology

3.1 Data Analysis

Data analysis will be carried out using SPSS Version 23.0. The results from data analysis enable researchers to analyze the data further and explain the prediction. Also, descriptive analyzes of demographic and general data will be performed. Descriptive statistical data involves converting raw data into information that will provide insight to understand many involved respondents' elements that will help the audience understand the study (Uma & Roger, 2016). In testing the hypothesis, correlation and multiple regression analysis will be carried out. Correlation is the co-variation or correlation of two variables in statistical tests (Zikmund, 2010). The correlation coefficient indicates the path and significance of bivariate relationships between the variables in the analysis. The significant or strong correlation can be explained by looking at the mark (*) or (* *), which demonstrates a critical relation or a very important relationship between the tested variable. In comparison, multiple regressions are carried out to estimate the most influencing factor. Two different types of regression analyzes are univariate and bivariate. In this research study, bivariate analysis was employed. The bivariate analysis deals with causes or relationships of variables. The purpose of the bivariate analysis is to explain the data. Multiple regression analyses need to be conducted if an independent variable was assumed to influence the dependent variable (Uma & Roger, 2016). If both variable relationships are not linear, regression analysis will underestimate the genuine relationship.

3.2 Sample and Procedure

This study examined the trend of fraud among MARA employees. For data collection, the purposive sampling method was utilized. Roughly 338 surveys were distributed to several MARA departments. The 177 response rate (52%), as proposed by (Babbie, 1973) and (Kidder, 1981), as appropriate. Around 122 respondents (68.9%) were women, and 55 (31.1%) were males, ranging from 18 to 45.

Table 1: Demographic Information of Respondents

Demographics		Frequency	Percentage (%)
Gender	Male	55	31.1%
	Female	122	68.9%
Age	18-24	25	13.6%
	25-34	59	33.3%
	35-44	58	32.8%
	45-60	36	20.3%
Education	Malaysian Certificate Examination (MCE)	59	33.3%
	Diploma	36	20.3%
	Degree	66	37.3%
	Postgraduate	16	9.0 %
Job Position	Non-Management Staff	81	45.8%
	Middle Management	76	43.0%
	Senior Manager	13	11.2%
Tenure (years)	Below three years	44	24.9%
	Three years – 6 years	20	11.3%
	Six years – 9 years	32	18.1%
	Nine years – 12 years	20	11.3%
	12 years and above	57	32.2%

Source: Processed from the SPSS Software

From the table, it can be interpreted that a large number of employees hold degree qualification 37.3% and secondary qualification 33.3%. The least of them hold a postgraduate qualification of 9.0%. The organization has strong clerical and support staff (non-management staff), with almost half of the 45.8% participating in this study. They also have good numbers of middle management and senior manager with 43.0% and 11.2% respectively. Around 32.2% served MARA for more than 13 years, followed by fresh employees for three years and below 24.9%. While employees serve three years and below and nine years and below 12 years shared the same number of employees with 11.3%.

3.3 Pilot Study

The pilot analysis referred to pre-study or mini-versions of full study and measured the study's validity. According to (Polit, Beck, & Hungler, 2001), a pilot study is a feasibility study conducted as mini versions or trials to prepare for a full study. It is often done as pre-testing or testing research instruments (Baker, 1994). A good pilot study is not a guaranteed ticket for full-scale survey success ((van Teijlingen & Hundley, 2002). Practically, the general recommendations are 10% of the sample population size but may be insufficient to determine instrumentation adequacy or make statistical estimates for a more extensive study (Hertzog, 2008). Yet, (Baker, 1994) reported that a study sample of 10-20 per cent of sample size was considered a good number of pilot research participants. Consequently, 33 questionnaires were distributed early as the research study trial.

Table 2: Pilot Study: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.849
Approx. Chi-Square	4021.625
Df	528
Sig.	0.000

Source: Processed from the SPSS Software

The KMO value must be at least 0.6 and above, according to (Field, 2000) to ensure its validity. The table above indicates that the KMO value is 0.849 and above 0.6. It thus demonstrates that the sample size for this research is adequate since it reaches the KMO standard. This study, therefore, proves that it is highly relevant. Then, to display significant relationships between variables, the significant value must be below 0.5. This analysis shows that the relevant value is 0.000. Bartlett's test of 1066.250, $p < 0.01$ indicates that the correlation between items is sufficiently large. Therefore, it can be concluded that there is a relationship between variables.

3.4 Reliability

In measuring study reliability, only related variables specific to the study are tested. Based on the conceptual research framework, there are four variables in this study: independent; perceived pressure, perceived opportunity, and perceived rationalization. The last variable is a contingent fraud tendency. Reliability has been tested to determine how the instrument tests (Field, 2000). According to (Zikmund, 2010), reliability is the degree to which error-free interventions have reliable performance. To determine the questionnaire's reliability, the value of Cronbach Alpha had to be 0.7 at or above (Nunnally, 1978). If the Cronbach Alpha value below 0.7, the study is not accurate and correct in the analysis. The reliability test is essential to ensure that the questionnaires can measure the variables.

Table 3: Reliability Test

Construct Variable	Number of items	Cronbach Alpha	Reliability
Pressure (IV)	8	0.896	YES
Opportunity (IV)	8	0.871	YES
Rationalization (IV)	8	0.858	YES
Fraud Propensity (DV)	8	0.732	YES

Source: Processed from the SPSS Software

The table above shows the independent and dependent variables in this study. From the result, all variables are above 0.7. Therefore, the consistency of questions are reliable in this study.

4. Findings

Hypotheses on Perceived Pressure, Perceived Opportunity, Perceived Pressure. The study of the correlation is often used to assess the magnitude of the relationship among quantitative variables. In this study, the analysis measures independent variables; hypothesis 1 (Perceived Pressure), hypothesis 2 (perceived opportunity), and hypothesis 3 (perceived relationship) and dependent variables of fraud tendency among employees. A high correlation indicates that two or more variables are firmly linked, whereas a low correlation implies that the variables are not related.

Table 4: Correlation Test

Variable	DV- Fraud Tendency	IV- Pressure	IV- Opportunity	IV- Rationalization
DV- Fraud Tendency	1			
IV- Pressure	.254**	1		
IV- Opportunity	.448**	.515*	1	
IV- Rationalization	.063	.322**	.318**	1

Source: Processed from the SPSS Software

Table 4 shows that the study's fraud-oriented pattern is a positive correlation to all independent variables (perceived strain, perceived opportunities, and perceived rationalization). The '***' indicates that the correlation is significant at 0.01. Simultaneously, the '*' in the table above shows that the correlation is significant at 0.05. The findings show that perceived pressure (.254) and perceived opportunity (.448) significantly correlate. Meanwhile, rationalization was assumed as not significant to influence fraud tendency. Overall, perceived pressure and perceived opportunity

show significance at level 0.01 at a moderate level, whilst perceived rationalization indicate a weak correlation in influencing fraud tendency, yet considers positive relationships influencing employees before doing fraud. Therefore, those hypotheses are accepted, as follows:

Table 5: Hypotheses

Hypotheses	Result
H1: Relationship between perceived pressure with fraud tendency.	Positive and Significant
H2: Relationship between perceived opportunity with fraud tendency.	Positive and Significant
H4: Relationship between rationalization with fraud propensity.	Positive

Source: Processed by the Author

4.1 Most Influential Variables

The next goal of this study is to analyze the most influential variables that could affect employees' pursuit of fraud. The use of multiple regression seeks to explain the functional relationship between the dependent and independent variables and find an equation that better predict the variable which has a significant meaning. (McDonald, 2015).

Table 6: Beta Result for Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.647	.303		5.439	.000
IVPressure	.048	.073	.053	.662	.509
IVOppportunity	.483	.086	.451	5.619	.000
IVRationalization	-.097	.072	-.098	-1.342	.181

a. Dependent Variable: Fraud Tendency

Source: Processed from the SPSS Software

For interpreting regression results (Hair, Honey, Samouel, & Page, 2007), it's crucial to analyze the highest coefficient to evaluate the compelling relationship among variables. Beta coefficients can be positive or negative. Also, the significant value needs to be analyzed. If the beta coefficient is not statistically meaningful, no statistical value from the indicator can be interpreted. The most influential variable based on table

6 is seen as an opportunity, which Beta equal to $\beta=0.451$ as compared with pressure $\beta=0.53$. However, an independent variable of rationalization is less likely to lead to fraud since its value is $\beta= -0.98$. Besides, the significant value of less than 0.05 should be addressed. The independent variable with a value above 0.05 will have no apparent relationship or essential relationship with the dependent variable (Uma & Roger, 2016). The pressure value of 0.509 and 0.181 for rationalization are shown in the table above. Furthermore, the significant value for opportunity is $0.000 < 0.05$, which stipulate that perceived opportunity significantly affect employee action in doing fraud. In conclusion, the perceived opportunity has a significant influence on the dependent variable, fraud tendency.

Hypothesis 3: Perceived Opportunity is the most influential variable in driven fraud tendency. (Accepted)

5. Discussion

The findings revealed that fraud is a common issue among employees and remains invisible threats to all types of organizations, either profit-oriented or non-profit organizations, small business organizations, or large business organizations. The study findings support in the existing literature that employee fraud, commonly known as occupational fraud or in some case corporate fraud, is prevalent and may come from various departments and levels of the business organization (Gilmore-Allen, 2015; Goldstein, 2015; Holtfreter, 2005; Jackson, 2010; Kalana, 2019; Omar et al., 2016; Ortiz, 2018). According to (Gino, Moore, & Bazerman, 2008), human beings tend to commit fraud because they empathize with each other. However, the feeling is stronger if involving family members. Yet, pressure alone would not instigate human action unless there are an opportunity and justification for such action. The evidence indicates that pressure is the first step before an employee carrying out fraud action. The study results show that three hypotheses of perceived pressure, perceived opportunity, and perceived rationalization adopted from Cressey's Fraud Triangle successfully established employees' purpose in doing fraud. The findings in line with the results of several researchers that those three variables are essential to establish fraud intention (Aida Fitri, Syukur, & Justisa, 2019; Akomea-Frimpong et al., 2016; Goldstraw et al., 2005; Nugraha & Susanto, 2018; Said et al., 2017; Zakaria et al., 2016). The three elements of fraud are associated with each other. If three of them are possessed by the employee, a high probability of fraud will be carried out. So, if the business organization can prevent each factor, it can avoid creating a suitable environment for the employee's bad behaviour.

Moreover, the result shows that perceived opportunity ranking as the most influential variables that ignite fraud activity. The finding in line with the assertion made by (Turner et al., 2003) that pressure is not enough to motivate the employee to carry out fraud unless there is an opportunity. Does this mean opportunity alone able to influence the perpetrator? The study tried to illustrate that, the perpetrator would not act stupidly to carry out fraud action without having a good opportunity, as a perceived

opportunity also defines as a way to escape without being caught. Mackevičius & Giriūnas (2013) noted that those who intend to commit fraud are actively pursuing more effective, advanced fraud techniques by reviewing the internal and external environment of business organizations, such as; the accounting processes and internal control systems extensively in order to examine the financial situation and operating of the business organizations. With that, the perpetrator will try to create loopholes in the structure or operating system of the business organization in order to increase the success of fraud. In a review on the Barring Bank 's collapse (Greener, 2006; Willison, 2006) on the causes that lead to the bank's collapse due to management failures, operational and financial controls. These include lack of segregation between front and back offices, lack of management action, no risk management, and enforcement functions in the bank. Therefore, it is imperative to stipulate that a lack of governance and internal control in business organizations opens a big door for the perpetrator to commit fraud most safely.

Finally, this paper would like to debate the area of moral values and spirituality based on rationalization hypotheses. However, rationalization is not considered the influential factor and is reported to correlate positively instead of significantly. Rationalization is a cognitive stage that the perpetrator justifies the crime according to his/her moral norm in a reasonable way. They do not even see themselves as suspects, just victims of circumstances, like doing fraud, for goodness' sake. The argument is the opposite of the claim by (Kaptein & Schwartz, 2008) acculturation of honesty and ethics may help lessen fraud propensity. In supporting moral conduct as a barrier of fraud (W. S. Albrecht, Albrecht, C, & Zimbelman, 2011), the individual level of moral development determines perpetrator unethical behaviour. Likewise, people often struggle to see a broad picture of the moral principle. Arli & Leo (2017), ethical behaviours differ between people, and each of us has our ethical frame. In a simple picture, even the respondents are presented with an option based on Likert scale from Strongly Disagree; 1 to Strongly Agree; 5 for each variable, most of them consensually agreed moral values and spirituality would not impede them to commit fraud activity. The finding of the study conforms with a study by (Ventura & Daniel, 2010) of fraud and embezzlement in a religious organization. They affirmed that despite high moral values related to religion, embezzlement could happen in church. Therefore, it can be concluded that the perpetrator committing fraud blindly act under the noble purpose of such an act. For instance, need to take care of their family, dishonest employer, dissatisfaction with working condition, and believe nobody cares about them.

6. Conclusion

This quantitative paper successfully in analyzing the fraud tendency among employees in MARA. The proposed hypotheses tested in this paper has been sparsely tested in various industries and type of organization, being this paper among early paper in testing the fraud triangle in people's trust in Malaysia. From the analysis, it is evident that fraud issues already prevalent in all type of organization, despite organization establish for a social purpose. The perpetrator is actively seeking a new

way to innovate their action and resorting to using sophisticated techniques to trick people and business organizations for his/her benefits. Although morality and religiosity tend to be an approach to counter fraud activity, this paper proves otherwise. The respondents are given a free choice to opt to select any items that they feel ought or not ought to be done as an employee of a trust organization. In tackling fraud activity, it is suggested that the business organization need to strengthen their internal control and corporate governance. They also need to be objective on employee traits and background instead of being empathy to the employees. There is a high tendency that employees from the pressurized background will commit fraud based on their background justification, as a moral compass for everyone differs based on their moral frame. Perhaps, the best way of dealing with prospective employees by having stringent rules and requirements during the hiring process, and also seeking assistance from an expert consultant in assessing future employees. People are volatile and unpredictable; therefore, it requires creative strategy and various systems, tools and instrument, altogether integrate as one to manage them.

Practically, this study reveals that the issue of fraud arises in people's trust. Hence, the body of authority needs to do something to mitigate the issues that might negatively impact the function of trust as a social philanthropy body. The study also alerted MARA and other trust organizations to carry similar analysis to find the best way to improve their fraud management, such as strengthening fraud policy and control policy on employees. One of the best ways is to put the employee under the red flag indicator and to observe them from time to time whether the expected behaviour will be realized or not. The fraud topic also should be an open topic, being discussed regularly and making as a story to make the employee realize how serious the issues are.

Finally, the whistleblowing employee needs to be welcome as a "legendary hero", awarded and promoted as an exemplary employee. The whistleblowing policy should be developed and disseminated at the early stage to all employees, for instance, during employee boarding. Early adoption can nurture the ethical climate and unified the stand of business organizations toward fraud practice.

7. Limitation and Future Study

The findings of this study cannot be generalized on the viewpoint of Malaysian's on fraud tendency as it only focuses on MARA. Secondly, this study using quantitative analysis method to collect and analyzes data. The disadvantage of this method a large sample of people must be studied to get accurate results, and there is potential that respondents are hiding real facts, therefore the context of the study not able to capture the real data. It is suggested that future research should be conducted using a qualitative method. The advantage of this method is the researcher would gains more detailed and rich data, especially on the people opinions in term of fraud concept, issue of morality and company positioning on fraud. The future study also needs to consider the aspect of morality and spirituality as a moderator, whether the outcome will impact the results or not. Lastly, this research focuses on the viewpoint of an individual

employee of MARA and, from this perspective, further studies can look at the findings from the organizational based perspective and utilizing a longer time frame of the study.

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