

## Fraud Procurement of Goods and Services A Perspective of the Theory of Planned Behavior

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**Abstract:** This research adopted the theory of planned behavior to examine the factors affecting the intentions fraudulent procurement of goods and services. The purpose of this research are to examine the effect of attitude toward behavior, subjective norm, and perceived behavioral control on the intentions fraudulent procurement of goods and services. The sample in this study are working group of procurement services units at each city/regency government in south borneo. The method of data collection is survey using questionnaire as instrument of the research. The ammount of the sample was 316. The data was analysed using Structural Equation Modelling-Partial least square (SEM-PLS) with WarpPLS 6.0. The result of research finds attitude toward behavior, subjective norm, and perceived behavioral control has a positive effect on the intentions fraudulent procurement of goods and services.

**Keywords:** fraudulent procurement of goods and services, theory of planned behavior, attitude toward behavior, subjective norm, perceived behavioral control.

### Introduction

Procurement of goods and services is an integral part of a government system. Simamora (2013: 1) explains that the most important part of government administration is meeting the needs of goods and services. The role of procurement of goods and services for the government is as a means of driving the national economy in order to prosper the lives of the people (Listyanto, 2012).

Procurement is expected to run effectively, efficiently and economically in order to provide maximum benefits so that the vision and mission of the organization can be achieved (Harziani, 2015). Therefore, in its realization, the government is required to carry out the procurement process of goods and services with good governance (Sopian, 2012). However, the facts that occur are rampant fraud cases regarding procurement of goods and services.

Tuanakotta (2010: 431) states that procurement activities are one of the sources of state leaks and are the largest source of corruption in Indonesia in public sector organizations. Data handled by the Corruption Eradication Commission (KPK) corruption cases are based on the types of companies showing high procurement of goods and services, with 142 cases from 468 cases in 2004, while corruption and embezzling modes of price, bribery, embezzlement, granting commissions, abuse of authority, procurement and forgery (KPK, 2015).

The corruption case is usually referred to as "fraud". It is a fraud that is badly done by individuals or groups that are not known by the aggrieved party but provides the benefits of the problem (Bologna et al., 1993). In the procurement of goods and services for fraud cases, the state civil servants who have the power and authority have the

behavior to prioritize personal interests that can harm other parties and not achieve principles in the procurement of goods and services (Nurharjanti, 2017; Afrianti et al., 2015).

Fraud of procurement of goods and services is basically inseparable from the behavior of the state civil apparatus. The interesting thing to be investigated is what factors influence the behavior of the civilian state in conducting the procurement of goods and services. Research is still rare regarding fraud in the procurement of goods and services that highlight behavior. Some research on fraud in the procurement of goods and services has so far been limited to research on the effectiveness of internal control systems and the suitability of compensation (Afrianti et al., 2015; Hermiyati, 2010; Arfah, 2011).

This phenomenon is very interesting to study. This research raises the issue of fraud in the procurement of goods and services that highlight the behavior of state parcels by using theoretical devices from the theorized plan (Ajzen, 1991). In general, the model of planned behavior theory is designed to explain human behavior (Ajzen, 1991). However, the theory of planned behavior also has usefulness in predicting broad coverage behavior (Chang, 1998). Carpenter and Reimers (2005) planned behavior theory is a model that is able to predict behavior in the framework of business ethics. Pavlou and Fygensoon (2006) also stated that the theory of planned behavior is a model that has been widely used to predict behavior in various fields. Therefore, the behavioral theory is believed to be believed to provide a relevant foundation for researching behaviors related to unethical behavior.

The theory of planned behavior explains that intention is the determinant of a person's behavior (Ajzen, 1991). Behavioral intention is defined as the allocation of a person to the subjective probability dimension which includes the relationship between himself and several actions (Ajzen, 1991). The emergence of intention to behave conceptually there are three factors, namely attitude towards behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). Attitude towards behavior is an assessment that someone has to support or not support to perform certain behaviors that will be formed, subjective norms are normative beliefs that a person has and motivation to carry out a behavior obtained from certain parties, and perceived behavioral control is one's perception with regard to the feeling of being easy or difficult in carrying out a behavior and perceived control assumed to reflect past experience and also anticipation of obstacles and obstacles (Ajzen, 1991).

Ajzen (1991) planned behavior theory model has previously been used by several researchers to explain factors that influence someone to commit fraud. Previous researchers such as Carpenter and Reimers (2005), Lin and Chen (2010), and Respati (2011) found that attitudes a person has regarding fraud will affect someone's intention to commit fraud. Other findings are subjective norms that have a positive effect on someone's intention to commit fraud. However, the results of Carpenter and Reimers (2005) and Respati (2011) have not supported planned behavior theory which states the relationship between perceived behavioral control and intentions to commit fraud (Lin and Chen, 2010). The results of the Carpenter and Reimers (2005) and Respati (2011) research address the absence of perceived influence of behavioral control on intentions to commit fraud.

This research was carried out on 13 district/city governments in South Kalimantan Province. The location of the study was chosen based on the results of the spotlight from the KPK which explained that the governance of the Province of South Kalimantan was

still haphazard, the KPK highlighted various aspects including procurement of goods and services in 13 districts/cities in South Kalimantan (Tempo.co, 2017). This haphazard condition of governance has an impact on the probability of the intention of the state civil apparatus to conduct unethical behavior such as fraud.

Based on the above background, as for the formulation of the problem in this study is whether the attitude towards behavior, subjective norms, and perceived behavioral control have an influence on fraud intentions in the procurement of goods and services? While the purpose of this research is to prove empirically the influence of attitudes towards behavior, subjective norms, and perceived behavioral control of fraudulent procurement of goods and services.

## LITERATURE REVIEW

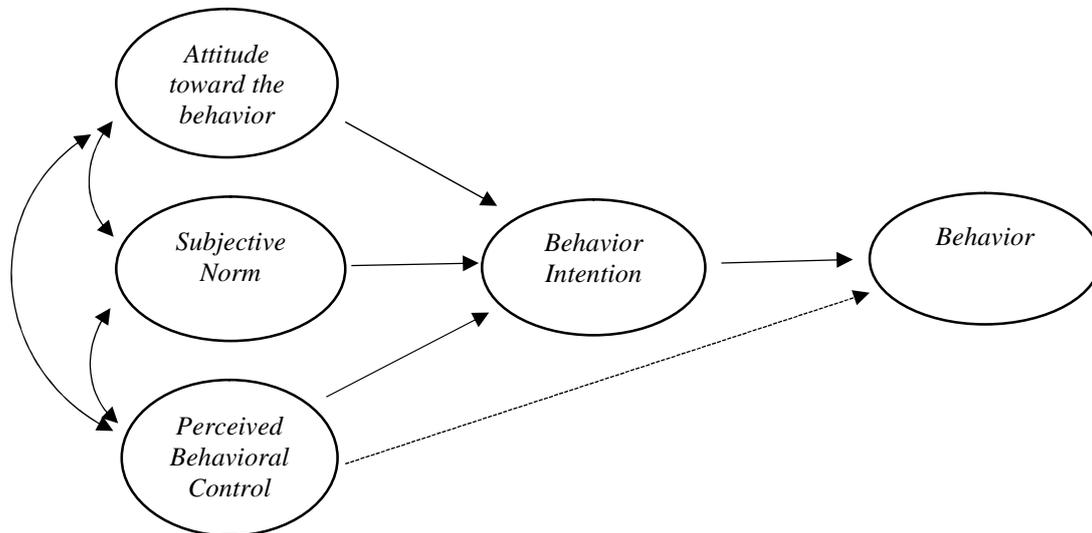
***Fraud procurement of goods and services.*** Fraud is a fraud that is intentionally carried out by both individuals and groups of parties that are not known by the aggrieved party but provides benefits to the perpetrator (Bologna, 1993). Albrecht and Zimbelman (2011) clarify fraud which is an illegal act committed by an individual or a group of people by not acting it should be by deceiving others (intentionally) so that the goals of my agent can be fulfilled, that is to get benefits, both for individuals, others, and for corporations or their own groups.

Fraud is an intentional action by individuals or groups within the ranks of management, staff employees, or third parties by committing fraud or manipulation to gain illegal and dishonest profits (Tjahjono et al., 2013). Fraud as an illegal or unauthorized act marked with dishonesty with intentions of embezzlement or violation of trust (ACFE, 2000). Association of Certified Fraud Examiners (ACFE) divides fraud into three types based on actions that are very popular with the term cheating tree, namely:

1. Asset deviation. Asset deviation includes covering the misuse or theft of assets or property of companies, public sector agencies or other nonprofit organizations. This act is a form of fraud that is most easily detected because it is tangible or measurable (defined value).
2. False statements. False Statement is an action taken by an official or executive of a company or government agency to cover the actual financial condition by carrying out financial engineering (financial engineering) in the presentation of its financial statements to obtain profits or may be called the window dressing.
3. Corruption. Corruption can be a form of fraud committed by cheating or dishonesty by committing fraud, embezzlement, for personal gain, for others, or for corporations.

Based on the explanation above, it can be concluded that fraud is an act of fraud committed by individuals or groups to gain benefits for personal or group interests that have an impact on the loss to other parties. The fraud referred to in this study is fraud in the procurement of goods and services. Fraud modes in the procurement of goods and services include price inflation, bribery, embezzlement, commissioning, abuse of authority, fictitious procurement and counterfeiting (KPK, 2015). Fraud procurement modes of goods and services are contrary to the principles of the procurement of goods and services regulated in the Presidential Regulation No. 4 of 2015 which is efficient, effective, transparent, open, competitive, fair, and accountable.

**Planned Behavior Theory.** Icek Ajzen introduced embedded behavioral theory through his article "From Intention to Action: a Theory of Planned Behavior." Ajzen (1991) describes a theory of planned behavior is a theory made to predict and explain behavior in a specific context. The theory of planned behavior has been widely used as a theory to predict broad and clearest behavior to predict performance (Pavlou and Fygenon, 2006).



**Figure 1.** Theory of Planned Behavior

Source: Organizational Behavior and Human Decision Process (Ajzen, 1991)

Based on Figure.1, it can be explained that the main factor determining a person to conduct behavior in the theory of planned behavior is the intention of behavior (Ajzen, 1991). Conceptually there are three determinants that will influence a person's behavioral intention in behavior that is the attitude toward behavior, subjective norms, and behavioral control perceived (Ajzen, 1991). Theory in general states that the greater the attitude support towards behaviors and subjective norms related to behavior, and the greater perceived behavioral control, the stronger a person's behavioral intention to take into consideration behavior (Ajzen, 1991).

**Attitude towards behavior.** Attitude towards behavior is an assessment that someone has to support or not support to do certain behaviors that will be formed (Ajzen, 1991). Robbins and Marry (2007: 68) explain attitudes are evaluative statements, either desired or not wanted, about objects, people or events. Attitudes have the ability to predict behavioral and behavioral intentions (Ajzen, 2001). In this study, the attitude towards fraud is a person's judgment to support or not support fraud behavior (Carpenter and Reimers, 2005).

**Subjective norm.** Subjective norms are normative beliefs possessed by a person and the motivation to carry out a behavior obtained from certain parties (Ajzen, 1991). Subjective norms are one's perception that most people who are important to him think should or should not do the behavior in question (Fisbein and Ajzen, 1975). Jogyanto (2007: 42) explains that subjective norms are the perceptions or views of a person towards the beliefs of others that will affect the intention to do or not conduct the behavior considered. In connection with this research, subjective norms are individual perceptions of other

people's views related to fraud behavior that will shape the individual's behavior (Carpenter and Reimers, 2005).

**Perceived behavior control.** Perceived behavioral control is the perception of a person with regard to feeling easy or hard in carrying out a behavior and perceived control is assumed to reflect past experience and also an anticipation of obstacles and obstacles (Ajzen, 1991). Ajzen (2002) emphasizes that perceptual behavioral control is related to the level of control for behavioral performance and not a perceived possibility in carrying out a behavior that will give certain results. Perceived behavioral control in this study is individual perceptions obtained from the experience of individuals and others as well as obstacles to fraud (Carpenter and Reimers, 2005).

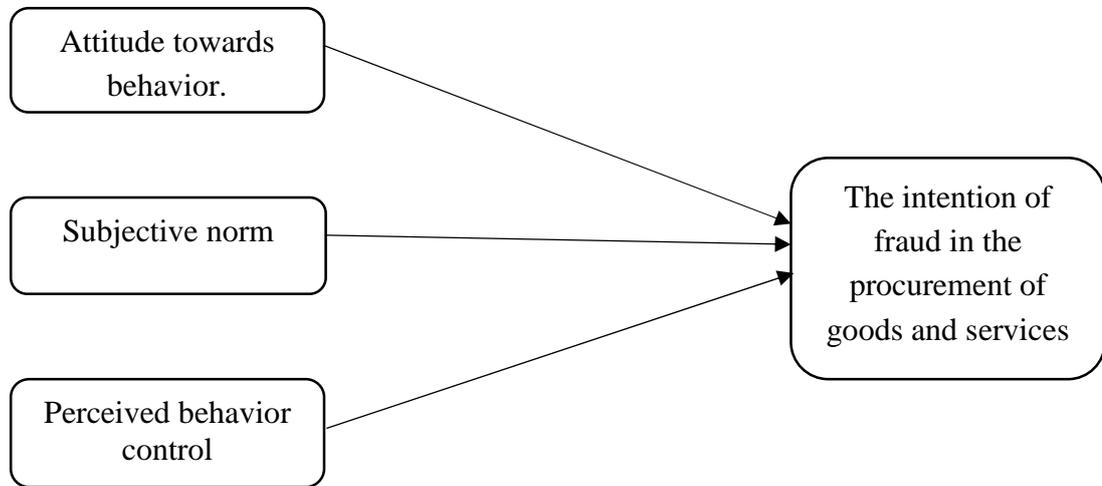
**The intention of fraud in the procurement of goods and services.** Behavioral intention is defined as the allocation of a person to the subjective probability dimension which includes the relationship between himself and several actions (Ajzen, 1991). Behavioral intention shows how hard someone is willing to try and how much effort they plan to do a behavior (Ajzen, 1991). Hunt and Vitell (1986) describe intentions as possibilities of selected alternatives. In this study, the intended behavioral intention is the intention to commit fraud which is an individual's decision how hard to do or not to commit to fraud (Carpenter and Reimers, 2005).

**Conceptual Framework and Hypothesis Development.** This study describes frauds in the procurement of goods and services that highlight the behavior of the state civil apparatus. The theoretical model of Ajzen (1991) planned behavior theory was used conceptually in this study. Based on the theory of planned behavior behavioral intention as a determinant of a person's behavior in considering behavior (Ajzen, 1991). Three factors that influence a person's behavioral intention to behave conceptually are attitudes towards behavior, subjective norms, and perceived behavioral control (Ajzen, 1991).

The dependent variable in this study is the behavioral intention. Fraud behavior is very difficult to measure, so in this study to measure fraud behavior is proxied by behavioral intentions in accordance with previous studies including Carpenter and Reimers (2005), Lin and Chen (2011), and Respati (2011). Behavioral intention is defined as the allocation of a person to the subjective probability dimension which includes the relationship between himself and several actions (Ajzen, 1991). The behavioral intention referred to in this study is the intention of the state civil apparatus in conducting fraud in the procurement of goods and services related to violations of the principles of procurement of goods and services as stipulated in Presidential Regulation No. 4 of 2015 which is efficient, effective, transparent, open, competitive, fair, and accountable. Modus fraud in the procurement of goods and services includes price inflation, bribery, embezzlement, commissioning, abuse of authority, fictitious procurement and counterfeiting (KPK, 2015).

The independent variables of this study are attitudes towards behavior, subjective norms, and perceived behavioral controls. Attitude towards behavior is an assessment that someone has to support or not support to perform certain behaviors that will be formed, subjective norms are normative beliefs that a person has and the motivation to carry out a behavior obtained from certain parties, and perceived behavioral control is one's perception with regard to the feeling of being easy or difficult in carrying out a behavior

and perceived control assumed to reflect past experience and also anticipation of obstacles and obstacles (Ajzen, 1991).



**Figure 2.** Research Model

Based on Figure.2, the offered research conceptual framework is attitudes towards behavior, subjective norms, and perceived behavioral control are factors that influence the procurement intentions of goods and services. and the stronger the control of perceptual behavior felt by the state civil apparatus regarding the procurement of goods and services, the stronger the intention of the state civil apparatus to commit procurement of goods and services. The hypothesis in this study is explained as follows:

**Influence of attitudes towards behavior towards fraud intentions for the procurement of goods and services.** Attitude towards behavior is an assessment that someone has to support or not support to do certain behaviors that will be formed (Ajzen, 1991). Someone before carrying out the behavior has considered beforehand whether his attitude supports or does not support a behavior (Fishbein and Ajzen, 1975). An individual who believes that the behavior formed is related to a good thing, it will have a supportive attitude towards a behavior, on the contrary, an individual who believes that the behavior formed is related to a bad thing, it will have an attitude that does not support a behavior ( Fishbein and Ajzen, 1988). In general, the theory explains that the greater the attitude support towards behavior, then one's intention to conduct behavior will be stronger (Ajzen, 1991).

The results of Carpenter and Reimers (2005), Lin and Chen (2011) and Respati (2011) show that attitudes towards behavior positively influence fraud behavioral intentions. Based on the description, the hypotheses in this study are:

**H<sub>1</sub>:** Attitudes towards behavior have a positive effect on fraud intentions in the procurement of goods and services

**Effect of subjective norms on fraud intentions for the procurement of goods and services.** Subjective norms of normative beliefs that a person has as well as motivation to carry out a behavior obtained from certain parties (Ajzen, 1991). Subjective norms have a

big influence on the behavioral goals of people who care about the opinions of people who are highly valued (Kreitner and Kinicki, 2005: 184). Someone who has confidence and is motivated to obey the other party, thinking they should do this behavior, they will get social pressure to do the behavior. Conversely, if a person has confidence and is motivated to obey the other party, thinking should not do such behavior then they have subjective norms that force them to avoid doing the behavior (Ajzen, 1988). In general, the theory states that the greater the subjective norm relates to behavior, then one's intention to conduct behavior will be stronger (Ajzen, 1991).

The results of Carpenter and Reimers (2005), Lin and Chen (2011) and Respati (2011) show that subjective norms have a positive effect on fraud intentions. Based on the description, the hypotheses in this study are:

**H<sub>2</sub>:** Subjective norms have a positive effect on fraud intentions in the procurement of goods and services.

**Effect of perceived behavioral control on fraud intentions in the procurement of goods and services.** Perceived behavioral control is the perception of a person with regard to feeling easy or hard in carrying out a behavior and perceived control is assumed to reflect past experience and also the anticipation of obstacles and obstacles (Ajzen, 1991). A person's past experience in behaving will shape the control of one's beliefs, but generally, also second-party information about behavior will influence behavior that comes from the experience of acquaintances and friends and is determined by other factors that can improve and reduce the difficult feeling of doing something. certain behavior (Ajzen, 1988). In general, the theory states that the greater the source and opportunity a person has, and the obstacles and obstacles they can anticipate, the greater the perceived control over behavior (Ajzen, 1988). The greater the perceived behavioral control, the stronger one's intention to conduct behavior (Ajzen, 1988). Thus, it is assumed that perceived behavioral control has a positive effect on the intention of the state civil apparatus to commit procurement of goods and services.

Lin and Chen's (2011) research results show that perceived behavioral control has a positive effect on fraud behavioral intentions. Based on the description, the hypotheses in this study are:

**H<sub>3</sub>:** Perceived behavioral control has a positive effect on fraud intentions in the procurement of goods and services.

## **METHODS**

**Population and sample.** The population in this study is the state civil apparatus directly involved in the procurement of goods and services. The state civil apparatus directly involved in the procurement of goods and services, in this case, is the PokjaULP (procurement service working group) in each municipal / district government in South Kalimantan. The population is chosen because PokjaULP is a party that is directly involved in the procurement of goods and services that have the authority in selecting providers of goods and services. The sampling technique used is saturated sampling, which is a sample determination technique that uses all members of the population to be sampled (Sugiono, 2013). The reason researchers used saturated sampling techniques was to make generalizations with very small errors. So, there were 316 people as samples used.

**Variable Operational Definition.** The dependent variable in this study is the fraudulent procurement of goods and services. Independent variables in this study are attitudes toward behavior, subjective norms, and perceived perceptions. Operational definitions and measurements of each variable will be explained as follows:

1. The intention of Fraud Procurement of Goods and Services. The intention of fraud in the procurement of goods and services which is operated in this study is the intention of the state civil apparatus to commit fraud in the procurement of goods and services. The measurement of fraudulent procurement of goods and services in this study was developed from the research instrument Carpenters and Reimers (2005). The indicators used to measure fraudulent intentions in the procurement of goods and services are intended, tried, and attempted. Each respondent was asked to respond to three statements that indicated the intention of the state civil apparatus to carry out the procurement of goods and services. Measurement of fraud intentions in the procurement of goods and services is measured by a five-point Likert scale. The response format shows everything from strongly disagree to strongly agree. A high score on the Likert scale indicates that the civilian apparatus of the state intends to carry out the procurement of goods and services, whereas a low response indicates that the state civil apparatus does not intend to carry out the procurement of goods and services.
2. Attitude towards behavior. The attitude towards behavior that is operationalized in this study is the attitude of the state civil apparatus regarding its views on fraud in the procurement of goods and services. Measurement of attitudes towards behavior in this study was developed from instruments in the Carpenter and Reimers (2005) study. The indicators used to measure attitudes towards behavior in this study are good, wise, and profitable. Each respondent was asked to respond to three statements indicating the attitude of the state civil apparatus to support fraud in the procurement of goods and services. Measurement of attitudes toward a behavior is measured by a five-point Likert scale. The response format shows everything from strongly disagree to strongly agree. A high score on a Likert scale indicates that the state civil apparatus supports fraud in the procurement of goods and services, whereas a low response indicates that the state civil apparatus does not support fraud in the procurement of goods and services.
3. Subjective norms. Subjective norms operationalized in this study are measuring the perception of the state civil apparatus towards the views or support of others related to fraud in the procurement of goods and services which will affect the state civil apparatus to commit or not commit fraud in the procurement of goods and services. The instrument for measuring subjective norm variables in this study was developed from Carpenter and Reimers (2005) and Respati (2011). The indicators used to measure subjective norms are the influence of colleagues, the influence of superiors, and the influence of subordinates. Each respondent was asked to respond to three statements indicating subjective norms of the state civil apparatus to support or not support fraud in the procurement of goods and services. Measurement of subjective norms is measured by a five-point Likert scale. The response format shows everything from strongly disagree to strongly agree. A high score indicates that the state civil apparatus has the support of other parties to commit fraud in the procurement of goods and services, whereas a low score indicates that the state civil apparatus does not get support from other parties to commit procurement of goods and services.

4. Control of Perceived Behavior. Perceived behavioral control is operationalized by measuring the presence or absence of an opportunity source, as well as obstacles or obstacles to a state civil apparatus to commit fraud in the procurement of goods and services. The instrument for measuring perceived behavioral control in this study was developed from the research of Carpenter and Reimers (2005). The indicators used to measure the perceived behavior control construct are feeling that they have full control, are easy to do, if they want, then easily do. Each respondent was asked to respond to the three items of the statement indicating the presence or absence of sources and opportunities, as well as obstacles or obstacles for a state civil apparatus to commit procurement of goods and services. Perceived behavior control measurement is measured by a five-point Likert scale. The response format shows everything from strongly disagree to strongly agree. A high score indicates that the state civil apparatus feels that they can easily commit government procurement of goods and services because of sources and opportunities, and also the absence of obstacles or obstacles for a state civil apparatus to do so, and conversely a low score indicates that the civil service is not easy to do fraud in procurement of goods and services because of the absence of sources and opportunities, and also the presence of obstacles or obstacles for a state civil apparatus to commit fraud in the procurement of goods and services.

**Data collection and analysis methods.** The type of data used in this study is primary data, which is obtained from the opinion of PokjaULP which is spread in the regency/city government in South Kalimantan. Data collection method in this study is a survey using questionnaires as research instruments

Analysis of the data in this study uses Structural Equation Modeling-Partial Least Square (SEM-PLS) with the help of WarpPLS 6.0 program. SEM-PLS analysis consists of two evaluation stages, namely the outer model and inner model (Abdillah et al., 2006). The first stage is the evaluation of the outer model, carried out to see the validity and reliability of the data. Validity test in the outer model is done by testing convergent validity and discriminant validity. The second stage is the inner evaluation of the model to test the research hypothesis.

## RESULT AND FINDINGS

**Respond rate.** The data used in the study are primary data with questionnaires as instruments. Questionnaires made were distributed to respondents who were the study sample. Data collection through questionnaires was conducted from January to March 2018. The distribution of questionnaires was carried out by visiting respondents directly. This is done in order to obtain a high response rate. The questionnaire was given to 316 people as the amount obtained was in accordance with the predetermined sampling technique.

**Table 1.** Percentage of return on the questionnaire

Description	Amount	Percentage
Questionnaires distributed	316	100%
Return questionnaire	226	71,51%
Questionnaire that is not complete	0	0%
<b>Processing questionnaire</b>	<b>226</b>	<b>71,51%</b>

Source: data processed, 2018

Based on Table 1, in the questionnaire collection process, the questionnaires were not returned as many as 90 questionnaires, so that of 316 distributed, 226 questionnaires were collected again to be processed. Overall the questionnaire filled in by the respondent is filled in completely. Therefore, the total questionnaire that can be processed is 226 or 71.51%

**Characteristics of the respondents.** Characteristics of respondents will describe the respondents in terms of gender, age, education, and ownership of the government procurement of goods and services.

**Table 2.** Characteristics of the respondents

Description	Amount	Percentage
<b>Gender</b>		
Men	178	78,7%
Women	48	21,3%
<b>Age</b>		
<30 years old	32	14,2%
31-40 years old	102	45,1%
>40 years old	92	40,7%
<b>Education</b>		
S2	54	23,9%
S1	156	69%
D3	16	7,1%
<b>Have a PBJ Certificate</b>		
Have	226	100%
Do not have	0%	0%

Source: data processed, 2018

Based on Table.2, it was explained that 78.7% of male respondents participated while 21.3% for women. The most vulnerable respondents aged 31-40 years participated in this study with as many as 45.1%. Most of the respondents with a bachelor degree (S1) education that is as much as 69% and respondents in this study all have a certificate of procurement of government goods and services.

**Description of research variables.** Description of research variables will explain the characteristics of respondents 'answers from each variable used in this study. Descriptive analysis is done based on the average value of respondents' answers on a five-point Likert scale, a low value indicates strongly disagree while high scores indicate strongly agree. Descriptive statistics of the research variables can be seen in Table 3.

**Table 3.** Descriptive Statistics of Research Variables

Variables	Mean
Intention of fraud in procurement of goods and services	1.89
Attitude towards behavior	1.88
Subjective norm	1.99
Perceived behavior control	1.87

Source: data processed, 2018

Based on Table.3, descriptive statistics from the respondent's answers show the average respondent's answers in each variable. The variable of fraud intentions in the procurement of goods and services shows the mean of 1.89, meaning that the majority of respondents said they did not have fraudulent intentions in procuring goods and services. Attitude variable toward behavior shows the mean of 1.88, meaning that the majority of respondents respond negatively related to fraud in the procurement of goods and services. Subjective norm variable shows the mean of 1.99, meaning that the majority of respondents said they did not get support in fraudulent procurement of goods and services. Perceived behavior control variable shows the mean of 1.87, meaning that the majority of respondents do not have perceived behavioral control regarding fraud in the procurement of goods and services.

**Test results of the research model.** The suitability of the model built in the study can be seen by the research model test. A good research model can illustrate the suitability of the relationship between variables in the research model. The research model can be seen in the model of fit and quality indices resulting from the general result output. Provisions for evaluating the fit and quality indices model are that the p-values for each APC and ARS must be smaller than 0.05, which means significant. In addition, in general results, it is necessary to also look at the AVIF value as an indicator of multicollinearity. Provisions for the AVIF value must be smaller than 5 (Sholihin and Ratmono, 2013: 61).

**Table 4.** Output General Result

Description	Fit	P-values	Provisions
Average path coefficient (APC)	0,299	<0,001	<0,05
Average R-square(ARS)	0,624	<0,001	<0,05
Average block VIF (AVIF)	2,144, ideal <=3,3		<=5

Source: data processed, 2018

Based on Table.4, the output of the general result shows that the APC and ARS values are 0.299 and 0.624, respectively, and the p-value of both shows a value of <0.001 or significant. This means that the evaluation of the fit model based on APC and ARS has been fulfilled. Furthermore, for the AVIF value in the above output is at the number 2.144. This also means that the evaluation of AVIF values has met the criteria in accordance with its provisions is less than 5. So it can be concluded that the overall research model is good (appropriate).

**Evaluasi Outer Model.** Outer model is an assessment of the construct validity and reliability of the research. Some tests assessed in the outer model are convergent validity, discriminant validity, and reliability.

Convergent validity of the measurement model can be seen from the correlation between item scores or indicators with their construct scores. The reflexive (indicator) size of an individual is said to be valid if it has a value of more than 0.70, but for the research at the development stage, the measurement scale with a loading value of 0.40 to 0.70 is still valid (Sholihin and Ratmono, 2013: 66).

**Table 5.** Output Combined Loadings and Cross-Loadings

	<b>NP</b>	<b>SP</b>	<b>NS</b>	<b>KPP</b>	<b>P-Values</b>
NP1	(0,919)	-0,002	-0,007	0,048	<0,001
NP2	(0,919)	-0,058	0,025	-0,105	<0,001
NP3	(0,929)	0,059	-0,017	0,056	<0,001
SP1	0,003	(0,895)	-0,142	-0,046	<0,001
SP2	-0,071	(0,893)	-0,060	-0,031	<0,001
SP3	0,074	(0,813)	0,222	0,085	<0,001
NS1	0,006	-0,117	(0,857)	-0,066	<0,001
NS2	0,103	-0,062	(0,893)	0,065	<0,001
NS3	-0,109	0,174	(0,897)	-0,002	<0,001
KPP1	-0,034	-0,057	0,107	(0,916)	<0,001
KPP2	0,077	0,051	-0,139	(0,941)	<0,001
KPP3	-0,044	0,004	0,035	(0,947)	<0,001

Source: data processed, 2018

Description: NP: Intention of Fraud Procurement of Goods and Services; SP: Behavioral Towards; NS: Subjective Norms; KPP: Control of Perceived Behavior

Based on the test results in Table 5 above shows that all indicators have the value of outer loading > 0.70, besides that the p-values value is <0.05. As a whole can be explained the statement instruments or indicators used in this study have met the requirements of convergent validity.

Validity testing is also done through discriminant validity, which is assessed based on cross-loading measurements with constructs. If the cross loading value of each indicator on a variable is greater than the cross loading on other latent variables, then the construct can be declared valid. Based on Table 5 above, the loading value of each indicator from the construct that it constructs to another constructor called cross-loadings shows the value is greater than the other constructs.

In addition to seeing the value of cross-loadings, discriminant validity is also seen from the comparison of the root value of the Average Variance Extracted (AVE) construct with the correlation value between latent variables. The square root value can be seen in Table 6.

**Table 6.** Square Root Output Average Variance Extracted (AVE)

	<b>NP</b>	<b>SP</b>	<b>NS</b>	<b>KPP</b>	<b>P-Values</b>
<b>NP</b>	<b>(0,923)</b>	0,668	0,712	0,687	<0,001
<b>SP</b>	0,668	<b>(0,868)</b>	0,657	0,635	<0,001
<b>NS</b>	0,712	0,657	<b>(0,883)</b>	0,711	<0,001
<b>KPP</b>	0,687	0,635	0,711	<b>(0,935)</b>	<0,001

Source: data processed, 2018

Based on Table 6, shows that the AVE root value of the same variable is higher than the AVE root value on different variables. This can be explained that the criteria for discriminant validity have been met. Reliability testing in this study uses the Alpha Cronbach value and Composite Reliability. Indicator groups used in one construct variable are said to be reliable if they have a Cronbach Alpha value > 0.6 and Composite Reliability > 0.7 (Hartono and Abdillah, 2009: 81)

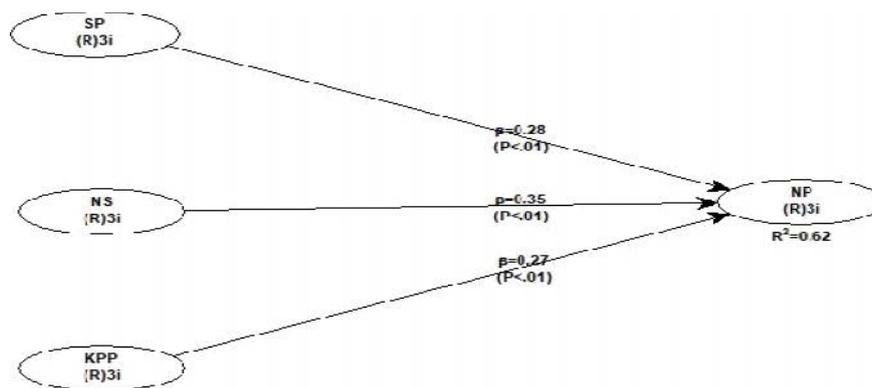
**Table 7.** Output Latent Variable Coefficient

	Composite reliable	Cornbrash's alpha
NP	0,945	0,913
SP	0,902	0,836
NS	0,914	0,858
KPP	0,954	0,928

Source: data processed, 2018

Based on Table 7, shows that all statement indicator items in each research variable have a composite reliability value  $> 0.70$ , namely NP of 0.945, SP of 0.902, NS of 0.914, and KPP of 0.954. Similar to the reliability composite the value of Cronbach's alpha also shows values  $> 0.70$  for each variable. This can mean that every statement/item used in this study has met cafeteria reliability.

**The Inner Model Evaluation.** The inner model evaluation aims to predict the causality relationship between variables that have been hypothesized. The resulting test model can be seen in Figure 2.

**Figure 2.** Model testing

Based on Figure 2, shows the R2 value for the variable fraudulent procurement of goods and services of 0.624. This can be interpreted as 62.4% fraudulent procurement of goods and services can be explained by attitudes towards behavior, subjective norms, perceived behavioral controls. While the remaining of 37.6% is explained by other variables.

Hypothesis testing is done by looking at the p-values and path coefficient values. The level of trust used in this study is 5%. The hypothesis will be accepted if the p-values value is  $< 0.05$ . In summary, the results of testing hypotheses can be seen in Table 8.

**Table 8.** Output Path Coefficient and P values

Hypothesis	Path coefficient	P-values	Description
Hypothesis 1	0,279	$< 0,001$	Accepted
Hypothesis 2	0,346	$< 0,001$	Accepted
Hypothesis 3	0,272	$< 0,001$	Accepted

Source: data processed, 2018

Based on Table 8, it can be explained as a whole the hypothesis offered in this study is accepted. Hypothesis 1 has P-values  $<0.001$  with path coefficient 0.279 meaning that attitude towards behavior has a positive effect on fraud intentions in the procurement of goods and services. Hypothesis 2 has a p-value  $<0.001$  with a path coefficient of 0.346 which means that subjective norms have a positive effect on fraud intentions in the procurement of goods and services. Hypothesis 3 has P-values  $<0.001$  with path coefficient 0.272 meaning perceived behavioral control has a positive effect on fraud intentions in the procurement of goods and services.

Hypothesis 1: Attitude towards behavior has a positive effect on fraud behavioral intentions of procurement of goods and services.

The results of hypothesis testing show that attitudes towards behavior affect the fraud intentions of procurement of goods and services. A positive path coefficient value from the direct influence of the relationship between these two variables shows that attitudes towards behavior have a positive and direct effect on fraud intentions in the procurement of goods and services. This shows the acceptance of hypothesis 1 which states that attitude towards behavior has a positive effect on fraud intentions in the procurement of goods and services. This can be interpreted as the higher attitude of the state civil apparatus towards the procurement of goods and services fraud, the higher the intention of the state civil apparatus in conducting fraud in the procurement of goods and services. On the contrary, the lower the attitude of the state civil apparatus towards the procurement of goods and services, the lower the intention of the state civil apparatus in conducting fraud in the procurement of goods and services.

The results of this study support empirical data that shows the low attitudes of respondents to fraud in the procurement of goods and services. The low attitude towards behavior shows that most of the state civil apparatus tend to have a non-supportive attitude towards fraudulent behavior in the procurement of goods and services. This is supported by the recognition of the average respondent stating that fraud in the procurement of goods and services is an act that is not good, unwise, and unprofitable.

The low attitude related to the procurement of goods and services has an impact on the low fraud intentions in the procurement of goods and services. The low fraud in procurement of goods and services shows that most of the state civil apparatus tends to have no intention in fraudulent procurement of goods and services, supported by the respondents' recognition that the average states that they do not intend, do not try and do not attempt to fraudulent procurement of goods and services.

The theory of planned behavior Ajzen (1991) explains the role of attitudes towards behavior in shaping a person's behavioral intention. A person will have a positive attitude towards a behavior so that person believes that the behavior is related to a positive goal. Conversely, if someone will have a negative attitude towards a behavior then he believes that the behavior is associated with a negative goal (Ajzen and Fishbein, 1988). In other words, individuals will tend to carry out behavior if the individual evaluates it positively. If someone considers that the output of the implementation of a behavior is positive. However, opposing attitudes will be raised if a behavior is considered negative.

Fraud procurement of goods and services is considered an action related to negative objectives because it tends to be very contrary to the principles in the procurement of goods and services. Awareness and recognition of the state civil apparatus as actions related to negative goals results in attitudes that tend not to support the actions of

procurement of goods and services. As a result, the state civil apparatus tends to have no intention in fraudulent procurement of goods and services.

The existence of an attitude towards behavior towards the intention of the state civil apparatus in conducting fraud in the procurement of goods and services shows that the awareness of the state civil apparatus regarding positive and negative behavior will affect the intention of the state civil apparatus in behaving. The intention of the state civil apparatus in carrying out frauds in the procurement of goods and services is inseparable from its assessment of a behavior that either supports or does not support.

The findings of this study support from previous research which states that attitudes toward behavior have a positive effect on one's behavioral intention to commit fraud (Carpenter and Reimers, 2005; Lin and Chen, 2010; Respati, 2011). The results of this study are a continuation of the implementation of attitudes towards behavior based on a theory of planned behavior. The findings of this study support the theory of planned behavior which states attitude toward behavior has a positive effect on behavioral intention (Ajzen, 1991).

Hypothesis 2: Subjective norms have a positive effect on fraud behavioral intentions of procurement of goods and services.

The results of testing hypotheses indicate that subjective norms affect the fraud intentions of procurement of goods and services. A positive path coefficient value from the direct influence of the relationship between these two variables indicates that subjective norms have a positive and direct effect on fraud intentions in the procurement of goods and services. This shows the acceptance of hypothesis 2 which states subjective norms have a positive effect on fraud intentions in the procurement of goods and services. This can be interpreted as the higher subjective norms of state civil apparatus related to fraud in the procurement of goods and services, the higher the intention of the state civil apparatus in conducting fraud in the procurement of goods and services. On the contrary, the lower the subjective norms of state civil apparatus related to fraud in the procurement of goods and services, the lower the intention of the state civil apparatus in conducting fraud in the procurement of goods and services.

The results of this study are supported by empirical data that shows the low subjective norms of respondents related to the procurement of goods and services. The low level of subjective norms shows that most state civil servants tend not to get support in fraudulent procurement of goods and services. This is supported by the recognition of the average respondent stating that there is no support from leaders, co-workers, and subordinates for fraudulent procurement of goods and services.

The low subjective norms on goods and service procurement fraud have an impact on the low fraud intentions in the procurement of goods and services. The low fraud in procurement of goods and services shows that most of the state civil apparatus tends to have no intention in fraudulent procurement of goods and services, supported by the respondents' recognition that the average states that they do not intend, do not try and do not attempt to fraudulent procurement of goods and services.

The theory of planned behavior Ajzen (1991) describes the role of subjective norms in shaping a person's behavioral intention. Someone who believes that the other parties are with whom they are motivated to obey thinks that they should do a behavior then they will feel social pressure to do that behavior. Conversely, if someone believes that the other parties namely with whom they are motivated to obey, think that they will not agree to do

a behavior, then they have subjective norms that force them to avoid doing such behavior (Ajzen, 1988). In other words, subjective norms are a person's belief that an individual or certain group thinks that he or she should do or not conduct the behavior (Kreitner and Kinicki, 2005: 184).

The results show that colleagues tend to support fraudulent actions in the procurement of goods and services. Colleges are assessing fraudulent procurement of goods and services are an illegal act that is very much in line with the principles of procurement of goods and services. The lack of peer support for fraudulent actions in the procurement of goods and services can reduce the intention of the state of civil apparatus in carrying out fraud in the procurement of goods and services because it places the subject on its own responsibility for all actions taken. The relatively the same condition is given by the leadership, the empirical results indicate that the leadership tends to fraudulent actions in the procurement of barn and services. The leader who is the position of the superior in charge of the subordinate, through his subjective norms, will influence the behavior of his subordinates to conduct his behavior. Likewise with subjective norms obtained from subordinates who tend not to support fraud in the procurement of goods and services. The support of subordinates also seems to be able to place the subject on his own responsibility for all his actions, so that it impedes the intention of the state of civilian fraud in conducting procurement of goods and services.

The existence of a civil society apparatus in making procurement of goods and services. The fraud, peers, and subordinates will influence the state decisions. The intention of the state civil apparatus to commit fraudulent goods and services is comprehensive from the views of the surrounding parties, both those who support or not support.

The results of this study support the theory of planned behavior. The theory states that the greater the subjective norm support is related to behavior, the stronger the intention to do the behavior that is considered (Ajzen, 1991). The findings of this study support from previous studies which state that there is a positive relationship norm on one's fraudulent behavioral intention to commit (Carpenter and Reimers, 2005; Lin and Chen, 2010; Respati, 2011).

Hypothesis 3: Perceived behavioral control has a positive effect on fraud behavior intentions in the procurement of goods and services.

The results of hypothesis testing indicate that perceived behavioral control affects the fraud intentions of procurement of goods and services. A positive path coefficient value from the direct influence of the relationship between these two variables shows that perceived behavioral control has a positive and direct effect on fraud intentions in the procurement of goods and services. This shows that the acceptance of hypothesis 3 states that perceived behavioral control has a positive effect on fraud intentions in the procurement of goods and services. and services. On the contrary, the lower the perceived behavioral control of the state civil apparatus regarding the procurement of goods and services, the lower the intention of the state civil apparatus in conducting fraud in the procurement of goods and services.

The results of this study are supported by empirical data that shows low perceived behavioral controls related to the procurement of goods and services. The low perceived behavioral control shows that most of the state civil apparatus have an easy perception of fraud in the procurement of goods and services because there are no sources and opportunities, and also there are obstacles or obstacles to fraud in the procurement of

goods and services. This is supported by the recognition of respondents that the average states that they do not have full control, do not feel easy and do not want and easily commit fraud in the procurement of goods and services.

The lack of control over the perception-behavior of goods and services procurement fraud has an impact on the low fraud intentions in the procurement of goods and services. The low fraud in procurement of goods and services shows that most of the state civil apparatus tends to have no intention in fraudulent procurement of goods and services, supported by the respondents' recognition that the average states that they do not intend, do not try and do not attempt to fraudulent procurement of goods and services.

The theory of planned behavior Ajzen (1991) explains the role of perceived behavioral control in shaping a person's behavioral intention. The basic determinant of perceived behavioral control is belief control (Ajzen, 1988). Control of this belief is a person's belief about the presence or absence of sources and opportunities, as well as obstacles and obstacles to certain behaviors (Ajzen, 1988). The availability of a person's resources and opportunities at a certain level indicates the possibility of attaining behavior (Ajzen and Madden, 1986). The greater the source and opportunity that a person has, and the obstacles and obstacles they can anticipate, the greater the control they feel about behavior, the stronger the person's behavioral intention to act out the behavior being considered (Ajzen, 1988).

Procurement of goods and services implemented by the government has a very good control mechanism; this control mechanism includes the implementation of an e-procurement system in the procurement process of goods and services. The existence of an e-procurement system does not seem to provide opportunities and barriers to the state civil apparatus in conducting fraud in the procurement of goods and services. Opportunities that tend to be non-existent and barriers that are owned by the state civil apparatus make the state civil apparatus do not have perceived behavioral control regarding fraudulent the procurement of goods and services. As a result, the state civil apparatus tends not to have the intention to commit fraudulent goods and services.

The relationship of perceived behavioral control to goods and services fraudulent intentions indicates that the perception of the state civil apparatus obtained from the availability of opportunities and the existence of obstacles in fraudulent procurement of goods and services will influence the state civil apparatus in making decisions. The intention of the state civil apparatus in carrying out fraudulent services and services is inseparable from the influence of drivers of confidence in the availability of sources of opportunity and obstacles they have.

The results of this study support the theory of fully planned behavior, which states that in addition to attitudes toward behavior and subjective norms the third factor that influences behavioral intention is perceived behavior control (Ajzen, 1991). The results of this study support the research of Lin and Chen (2010) which states that perceived behavioral control of someone related to fraud has a positive effect on a person's behavioral intention to commit fraud. However, the results of this study have not supported the Carpenter and Reimers (2005) research. Carpenter and Reimers (2005) and Respati (2011) research found that there was no correlation between perceived behavioral control and fraud related behavioral intentions.

## CONCLUSION AND SUGGESTION

**Conclusion.** The conclusion of this study is the attitude towards behavior, subjective norms, and perceived behavioral control have a positive effect on fraud intentions in the procurement of goods and services. The results of the study support the theory of fully planned behavior, which states that the factors that influence a person's behavioral intention in behaving are attitudes toward behavior, subjective norms and perceived behavioral control (Ajzen, 1991).

**Research implications.** This study theoretically addresses the theory of planned behavior is a model that can be used to predict and explain someone in making fraud, especially is the fraud of procurement of goods and services. The findings of this study also have practical implications. The results of this study provide information to the government that fraud procurement and services that are prevalent basically cannot be separated from the behavior of the state civil apparatus that has the authority to procure goods and services. External factors such as the internal control system and the suitability of compensation sought to prevent fraud in the procurement of goods and services without being supported by ethical behavior possessed by the state civil apparatus will not be effective. Therefore, it is very important for the government to pay attention to the behavior possessed by the state civil apparatus in carrying out its duties.

**Suggestion.** Future research is expected to develop this research by adding other variables that are expected to affect fraud in the procurement of goods and services, either directly or indirectly. In addition, future research should try to explore different types of work and in different demographics in order to be able to conduct behavioral comparisons more broadly.

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