

ABSTRACT

This study aims to conduct a meta-analysis of previous studies on the determinants of financial statement fraud from the perspective of Fraud Hexagon Theory. The determinants include stimulus, capability, collusion, opportunity, rationalization, and ego.

This study employs secondary data in the form of the findings of previous studies obtained from the Scopus and Google Scholar databases with the aid of Publish or Perish software. The meta-analysis includes 71 previous studies with a total sample size of 13,967 observations and 321 effect size. We adopt group contrast meta-analysis with effect size in the form of odd-ratio. The meta-analysis testing was carried out with JASP software.

The findings show that financial stability, director change, and nature of industry have a positive effect on fraudulent financial statements with a note that there is still publication bias (many studies with small sample sizes and negative results were not included). Effective monitoring has a negative effect on fraudulent financial statements with valid results. Financial target and auditor change have no significant effect with a note that there is still publication bias (many studies with small sample sizes and positive results were not included in the financial target proxy and many studies with small sample sizes and negative results were not included for auditor change proxy). External pressure, political connection, and number of CEO's pictures have no significant effect on financial statement fraud. This study implies that future studies should not using the proxies of external pressure, political connection, and number of CEO's pictures as determinants of financial statement fraud because our meta-analysis shows that they have no significant effect on financial statement fraud. Finally, we suggest that future meta-analysis studies should add a number of other research findings to reduce the problem of publication bias in financial stability, financial target, director change, nature of industry, and auditor change as well as control the previous reseach quality data.

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