

ABSTRACT

The purpose of this study was to analyze and obtain empirical evidence about asset misappropriation by employees with pressure, opportunity, capability, and rationalization as predictor variables as well as the relationship between perceived negative affect and rationalization carried out. The fraud diamond theory and the psychological pathway framework of fraud (Murphy and Dacin, 2011) are used to explain the relationship between variables. Respondents who became the object of the study were employees in the BPS area of Aceh Province.

This research is a cross sectional study using primary data. Sample selection was done using simple random sampling method (SRS). The data was collected by distributing a questionnaire in the form of a google form to the respondent's email. The returned questionnaires were 93.75 percent or 210 respondents. The collected data is then processed using the Structural Equation Model-Partial Least Squares (SEM-PLS) which is run with the SmartPLS version 3.2.9 program.

The results showed that the variables of pressure, opportunity, capability, and rationalization partially had a positive and significant effect on the misappropriation of assets by employees. The perceived negative affect also has a significant effect on the rationalization carried out. The implications of this study provide insight to regulators regarding the factors that cause individuals to commit deviations from assets to build a planning and supervision system in managing the budget and State Property (BMN).

Keywords: asset misappropriation, pressure, opportunity, capability, rationalization, negative affect, fraud diamond, psychological pathways to fraud.

