APPLYING THE FRAUD TRIANGLE THEORY TO EXAMINE FRAUDULET CASES FROM THE PERSPECTIVE OF WORKING ADULT

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BY

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DECLARATION

I hereby declare that:

(1) This undergraduate FYP is the end result of my own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Sole contribution has been made by me in completing the FYP.

(4) The word count of this research report is _____10978_ words_____.

Name of student: Student ID: Signature:

__ALEX LAU CHIN YEH__   __21UKB02762__

Date: _____3 May 2024_____

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IV	Independent Variable
DV	Dependent Variable
IC3	Internet Crime Complaint Centre
ACCC	Australian Competition and Consumer Commission
AML	Anti-money Laundering
CAKE	Consumer Association of Kedah
CCID	Commercial Crimes Investigation Department
ACFE	Association of Certified Fraud Examiners
ANOVA	Analysis of Variance
AI	Artificial Intelligence
AR	Augmented Reality
SPSS	Statistical Package for Social Sciences

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PREFACE

Fraud is always the chronic problem in the business environment, resulting in huge financial losses and brand harm. The environment of fraudulent actions has shifted in recent years, owing to technical improvements and sociological changes. As fraudulent schemes get more complex, it is a must to understand the underlying motives and factors driving such behaviour.

This study examines the complex world of fraud through the prism of the Fraud Triangle Theory, a popular framework that explains the causes of fraudulent behaviour. Donald Ray Cressey developed the Fraud Triangle Theory in 1953, which holds that three crucial elements—pressure, opportunity, and rationalization—converge to catalyse fraudulent behaviour. We will investigate the intricate interplay between these aspects and fraudulent situations from the perspective of working adults. By investigating the experiences, beliefs, and attitudes of the working individuals who managing professional obligations in the face of societal pressures and cultural restrictions, we try to gain insight on the factors of the fraudulent behaviour. This study hope to fill a gap in existing research by providing new insights into the factors that influence fraud among working people through thorough empirical inquiry, including surveys, interviews, and a full literature analysis. As we begin on this journey, we gratefully thank the significant assistance and efforts of countless individuals and organisations. Their knowledge, guidance, and collaboration have helped shape this study adventure. We are also grateful to all participants who generously contributed their time, knowledge, and ideas.

In conclusion, this research will contribute more than just an academic endeavour. We believe that the conclusions of this study will help to educate policymaking, empower organisational leaders, and finally, build an environment of honesty and responsibility.

ABSTRACT

In today's world, fraud poses a significant threat to individuals, organizations, and economies worldwide, with devastating consequences ranging from financial losses to reputational damage and legal repercussions. This research aims to explore the factors that influence the fraudulent behavior from the perspective of working adults, focusing on the fraud triangle theory, which includes pressure, opportunity, and rationalization. For the research methodology, this study will employ the quantitative research design, and leveraging the convenient sampling methods which is good in quick data collection. Through surveys and data analysis of responses from 250 working adults, this research will be able to investigate the relationships between pressure, opportunity, rationalization, and fraudulent cases in working adult's perspective, providing insights into the dynamics of fraudulent behavior in professional contexts. The result of the data analysis had proved that both pressure, opportunity, and rationalization have relationships with fraud cases in working adult perspective. The findings of this research will offer valuable insights for academia, industry professionals, and decision-makers, providing a deeper understanding of fraud dynamics and informing the development of targeted prevention strategies and organizational policies. For example, Implications include aiding government policy formulation by addressing financial pressures and protecting whistleblowers, enhancing organizational risk management through tailored prevention strategies and improved internal controls, implementing training programs to raise awareness and foster ethical behavior, and promoting a culture of integrity within organizations to mitigate fraud risks and enhance reputation. Besides the implications, the limitations of this research and the recommendation for the future research will also be discussed in the report. In conclusion, this study contributes to bridging the gap between theory and practice in fraud prevention, fostering a culture of transparency, integrity, and ethical behavior in the workplace

CHAPTER 1: INTRODUCTION

1.0 Introduction

This chapter will discuss about the research background, research problem, research objectives, research questions, and significant of study.

1.1 Background of the Study

Fraud, in today's definition, refers to any deceptive and dishonest action designed and carried out by one or multiple individuals for their own benefit or gain (Skalak et al., 2015). The problem of fraud has caused significant impact to various sectors. Besides that, it has also been served as a major and long-standing concern all around the world. For example, in the year 2017, the Internet Crime Complaint Centre (IC3) of USA has recorded that the losses caused by the fraud were estimated to cost about 1.42 billion United States dollar. Besides that, the Australian Competition and Consumer Commission (ACCC) also recorded that 340 million Australian dollar was lost due to fraud in the same year.

Figure 1.1: Value of e-commerce losses to online payment fraud worldwide from 2020 to 2023.
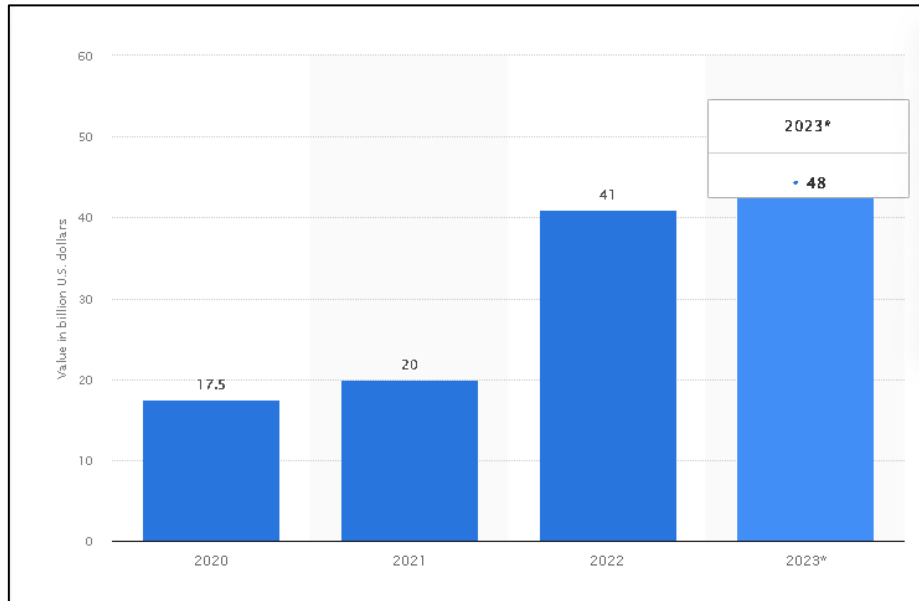
Adapted from: Coppola (2023), *Value of e-commerce losses to online payment fraud worldwide from 2020 to 2023.*

Besides that, based on the figure 1.1, statistics provided by statista in 29 August,2023, we can see that e-commerce losses due to the online payment fraud has cost up to 41 billion U.S. dollars in the whole world in the year 2022, and cost up to 48 billion U.S. dollars in the year 2023 (Global E-Commerce Payment Fraud Losses 2023, 2023).

1.1.1 The Impact of the Fraud on Individuals and Organizations.

The examples above had illustrated the widespread and significant financial damages connected with fraud cases. These losses not only will destroy a company's financial health, but also caused them to face a series of negative impacts, such as reputation damage, loss of customer confidence, operational interruptions, and lost

investor and stakeholder trust due to their poor fraud management policies and corporate governance. While for the individuals who facing significant financial losses due to the fraud, they might also be driven to the edge of bankruptcy (Bolton et al., 2002). If these problems remain unsolved, it will directly affect a country's economy as overseas investor would not want to invest to a company where located in a country with high fraud happen rate. Furthermore, it will also affect country's international standing, reputation, ability of getting international support and so on. In summary, the far-reaching implications of fraud had highlighted the critical need for strong preventative measures in order to protect both the individual, organization, and country's financial well-being.

1.1.2 Types of Fraud

1.1.2.1 Credit Card Fraud

Since the introduce of the credit card, credit card fraud has become a widespread and worrying problem. Individuals, organisations, and financial institutions are all significantly affected from this kind of fraud. Credit card fraud includes the unauthorised use of credit card information for fraudster's financial benefit and gain. Nowadays, credit card fraud has grown as a result of the technology advancement and the increased dependence on electronic transactions. This embraces a variety of misleading strategies such as skimming, phishing, and identity theft. In conclusion, it is important to recognise and resolving credit card fraud in order to protect financial assets and the integrity of electronic payment systems (Bolton et al., 2002).

1.1.2.2 Online Fraud

Online fraud, a very popular and ever-changing hazard in this digital era. It refers to a variety of misleading and deceptive actions that carried out over the internet in order to abuse individuals, organisations, and financial institutions. Phishing, identity theft, and money scams, both are the examples of the online fraud. As technology improves, fraudsters have gained a great opportunity to create new strategies and develop innovative methods of fraud, making the internet a breeding ground for various kind of illegal activities. By navigating the unsafe websites, individuals may become victims of fraudulent activities that breach personal information, while the companies might also face financial losses, reputational harm, and compromised cybersecurity. Recognising its significant impacts and introducing a strong cybersecurity measures are critical for limiting the effects of online fraud and creating a safer digital environment.

1.1.2.3 Money Laundering Fraud

Money laundering fraud refers to the illegal process of disguising the origins of unlawfully obtained money through a series of complex transactions in order to make it become legitimate. This fraudulent activity poses a significant threat to financial institutions, businesses, and society, as it increase the difficulty for the law enforcement unit to target the criminal. Money launderers often employ complicated schemes, including layering the transactions, using shell companies, and manipulating financial systems in order to conceal the funds that earned from the illegal source, such as bank robbery. In conclusion, the consequences of money laundering fraud are far-reaching, impacting financial integrity, economic stability, and national security. To Combat this type of fraud, which requires robust anti-money laundering (AML) measures, regulatory frameworks, and global

cooperation to track and prosecute those involved in these illicit financial activities (Bolton et al., 2002).

1.1.2.4 Employee Fraud

Employee fraud is defined as fraudulent and dishonest behaviour by individuals within an organisation for its own personal benefit and gain. This kind of fraud includes embezzlement, theft, forgeries, fake cost claims and so on. Normally, employee fraud will have a higher chance to happen when individuals take advantage of their position, trust that given by the company, and its ability to access company's resources. Employee fraud not only will cause the financial loss but also tarnish the company's brand, weaken employee confidence, and finally, lead to legal implications. By having strong internal controls, performing frequent audits, cultivating an ethical and transparent culture, and providing staff with adequate fraud prevention training, company can have early detection and reduce the risk of the employee fraud cases.

1.1.3 Fraud in Malaysia's Context

Malaysia's government has implemented lots of awareness programs, rules, and regulations to prevent fraud (Bernama, 2022). However, these activities only have a limited impact on fraud prevention. According to the Consumer Association of Kedah (Cake) president, Muhammad Yusrizal Yusoff, the government campaigns have failed to reduce the cases of online banking fraud, the government should focus more on introducing more rules to prevent online fraud (Zulkifli & Mukhtar, 2022). According to the Deputy Minister in the Prime Minister's Department (Law and Institutional Reform) Ramkarpal Singh, many laws such as Anti-Money

Laundering, Anti Terrorism Financing, and Proceeds of Unlawful Activities Act 200 are being reviewed regularly in order to enhance the fraud prevention (Bernama, 2023b). Besides that, according to him, the government is also implementing more and more fraud prevention measures to counter the increasing fraud activities nowadays (Bernama, 2023b). However, with the rapid advancement of technology, Malaysians nowadays still face various kinds of fraud, especially online fraud cases. The online fraud cases in Malaysia have doubled from 17,668 cases in the year 2019 to 34,495 cases in the year 2023 (Mahari, 2024).

Besides that, one of the most common frauds in Malaysia is Macau scam. Macau scam is a scam that the scammer will act as the staff from the government regulation or bank. They trick the victim in order to get their confidential data by using their strength in creating a story and play with victim's emotion (Ismail et al., 2022). Most of their target are the women with the age at 51 or above in Malaysia. According to the Royal Malaysia Police's commercial crimes investigation department (CCID), more than 5000 of Macau scam cases reports were received in the year 2020 (Ismail et al., 2022). In January this year, there is a macau scam cases was reported to Royal Malaysia Police. In this case, the victim had received a call from someone who claimed to be from a courier business, reporting that she had received a shipment containing illegal materials. The caller referenced the MyKad and ATM cards being inside the package and she had made a police report. Later, another person posing as a police officer told her to move all the money from her account in order to escape arrest for the particular criminal activity. It was already too late when the victim finally realise that it is a scam. This fraud cases had resulted a financial loss for over RM2.9 million (Dermawan, 2023).

Moreover, in the recent years, with the popularization of internet, online frauds cases had increased significantly in Malaysia, especially during the Covid-19 pandemic. This is because that people's dependence on the internet had increase so much during the pandemic, giving the fraudsters opportunity in creating scam towards the public. Online fraud nowadays including the job offer scams, lottery

scams, online dating scams, social media scam, ecommerce and so on. The Royal Malaysia Police's commercial crimes investigation department (CCID) had reported a total of 71,833 scams, which result in losses for more than RM5.2 billion. (Salleh, 2022) Besides that, Teo Nie Ching, Deputy Minister of Communications and Digital, also stated Facebook scams had causes financial losses for about RM232 million, while Instagram scams cost about RM70 million (Malaysians Suffer RM302m Losses in Online Scams from 2021 to June 2023, Says Deputy Minister, 2023).

Figure 1.2: Number of e-commerce scams in Malaysia from 2020 to May 2022
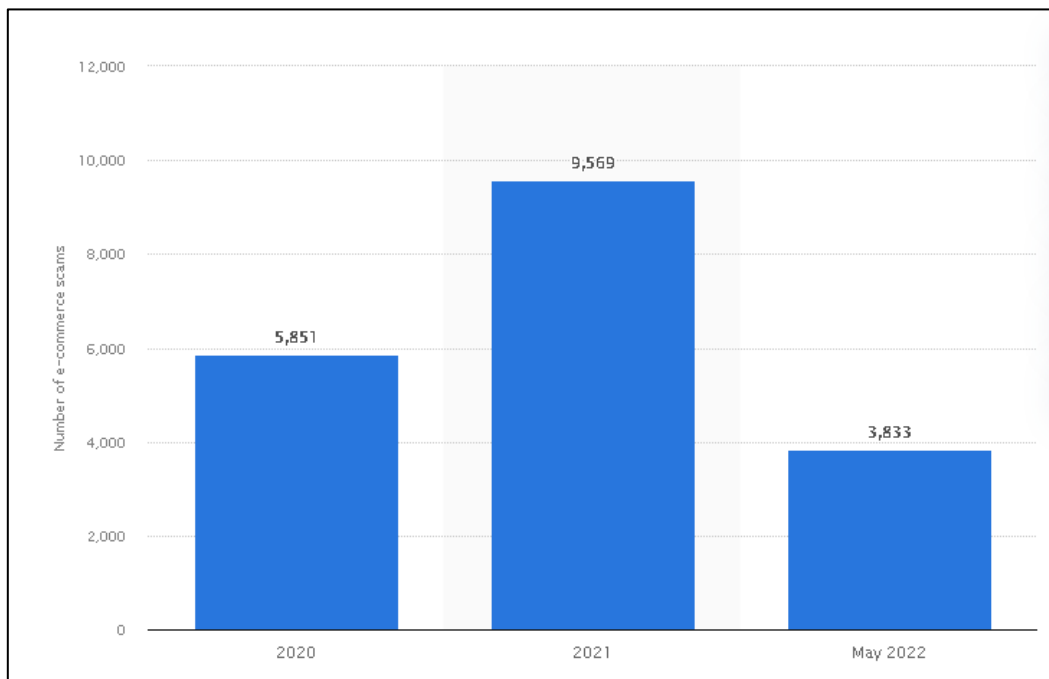
Adapted from: Statista Research Department (2022), *Number of e-commerce scams in Malaysia from 2020 to May 2022.*

Based on the figure 1.2, statistics provided by Statista, the number of online scams reported by consumers in Malaysia had increased from 5.85 thousand to 9.57 thousand, from the year 2020 to 2021. Furthermore, as of May 2022, there were

already about four thousand e-commerce scams reported in Malaysia (Malaysia: Number of E-Commerce Scams 2022, 2022).

Besides online scam, employee fraud also served as a serious problem in Malaysia. According to PwC(2020), 68% of company fraud in Malaysia is committed by the employees, and 35% of it were committed by collusion with external parties (Mohamed et al., 2021). Furthermore, survey that carried out by ACFE also showed that banking and financial services had reported the highest number of fraud cases continuously (ACFE, 2018; 2020). For example, in the year 2013, the losses that incurred in the past five years also cost up to RM473.82 million due to money swindled by employees (Mohamed et al., 2021).

Given the critical nature of the consequences resulting from fraudulent activities, it becomes necessary to focus on the detection and punitive measures and have a full knowledge about the core causes. In this study, working adults who managing professional responsibilities, personal desires, and cultural constraints, has become the best research target. By understanding their perspective toward the cause of individual fraud, we hope to gain insight on the subtle dynamics that contribute to decision-making processes which lead to fraud cases by investigating the interplay of personal, professional, and contextual elements.

In conclusion, fraud can have a significant impact on country's economy if government do not treat it seriously. Hence, Malaysia's governments are not idle. They are working hard to combat fraud by introducing new legislation and utilising technology to have a better fraud detection. However, it's a game of catch-up because as soon as police figure out how to combat one sort of fraud, the fraudster will create a new one. Regrettably, the increasing of the fraud cases still showed a non-stop sign although government had done their job responsibly.

This may because technology that advances rapidly nowadays had given fraudster the opportunity to discover new methods to defraud the public, making it difficult for police to apprehend them (McGuire & Holt, 2017). Individuals nowadays had confront a growing risk of fraud due to creative way of scam techniques. For example, users may get phoney emails and messages that appear to be genuine which deceiving them into disclosing personal information or finances. In addition, numerous types of fraud have evolved, most notably online tricks and scams in the field of online purchase, colloquially known as e-commerce scams. Dishonest individual take use of the internet, resulting in significant financial losses for countless victims.

Hence, the public must be cautious and well-educated about these frauds. Knowing the common methods that used by the scammers will help the public to protect themself and their own asset. Using the internet intelligently, creating strong passwords, and avoiding disclosing personal information should become a common sense for the public. It is not only the government's job to combat fraud. Individuals, corporations, and authorities must all work together to make the environment safer. To sum up, education and awareness are crucial to create a safer internet and physical worlds.

As we embark on this journey of discovery, we hope to build a holistic framework that captures the varied character of fraud in the context of working adults through surveys, interviews, and a thorough evaluation of existing literature. The results of this study will serve as valuable insights for regulatory authorities in Malaysia, aiding in the formulation and introduction of new regulatory measures.

1.2 Research Problem

As mentioned above, throughout the history, fraud is always a tumor of the business
enviroment, exacting significant consequences on both individuals and corporations.
The consequences of fraud are multifaceted, affecting not only people but also
governments, reputations, and whole sectors. Numerous researches were conducted
in order to deepen the understanding about the elements that causing the fraud.
Among these frauds, fraud triangle theory had emerged as one of the most popular
theory that explained the motivation of the fraudulent behaviour. However, there is
a lack of research area that particularly investigates these characteristics from the
perspective of working adults.

While the fraud triangle hypothesis gives the hints on why people commit fraud, its
application to the particular setting of working adults has received limited attention.
This study was conducted in order to provide a significant insight into the factors
that affecting the fraud through the viewpoint of the working adults. This study aims
to investigate the complex motivations, behavioural triggers, and environmental
effects that leads a normal working adult to engage in dishonest activities in
professional contexts.

Understanding these characteristics is critical for government bodies and
organisations to develop focused preventative actions and make informed decisions.
This study intends to fill the existing research gap and provide a more thorough
knowledge of fraud within professional scene by obtaining perspectives directly
from working adults. We want to uncover the complexities of the fraud triangle's
effects through the dissemination of questionnaires to around 250 working people,
creating more effective ways for the measures in minimising the fraudulent actions
and encouraging ethical behaviours in the workplace.

1.3 Research Objectives

The objective of this study:

- General objective

Our study intends to gain a full understanding on how working adults view the effect of the fraud triangle hypothesis on fraudulent behaviours. The fraud triangle hypothesis, which includes pressure, opportunity, and rationalisation, provides a framework for understanding the motives for fraudulent actions. We want to get a detailed insight on how these factors may link to their daily work lives by conducting surveys.

- Specific objective

1. To determine the relationship between pressure and fraud cases in working adult perspective.

2. To determine the relationship between opportunity and fraud cases in working adult perspective.

3. To determine the relationship between rationalization and fraud cases in working adult perspective.

1.4 Research Question

1. What are the relationship between pressure and fraud cases in working adult perspective?

2. What are the relationship between opportunity and fraud cases in working adult perspective.

3. What are the relationship between rationalization and fraud cases in working adult perspective.

1.5 Hypotheses of Study

H1: There is a relationship between pressure and fraud cases in working adult perspective.

H2: There is a relationship between opportunity and fraud cases in working adult perspective.

H3: There is a relationship between rationalization and fraud cases in working adult perspective.

1.6 Significance of Study

This research are conducted in order to understand the perceptions of working adults regarding the factors contributing to individual fraud occurrences. By delving into the way working adults perceive these factors, the study aims to offer valuable insights that can benefit both academic knowledge and practical application in various industries.

The primary objectives of this study is to generate knowledge that will go beyond theory which help reaching into the real-world dynamics on how individuals interpret and respond to factors that may lead to fraudulent behaviors. This deeper understanding is critical for academia as it enriches existing literature and contributes to the understanding on fraud in a practical context.

Moreover, the findings of this research will have tangible applications for industry professionals and decision-makers. By grasping the nuances of how working adults perceive the causes of individual fraud, organizations can adopt a proactive stance in developing strategies and policies aimed at mitigating these risks. The insights gained from this study can provide guidance on the design of training programs, awareness campaigns, and organizational policies. This will help to create an environment that is better equipped to identify, prevent, and address instances of individual fraudulent behavior.

In a bigger sense, our research seeks to make a significant addition to the current knowledge about fraud prevention. It gives more insights on the core reasons of fraudulent actions within the working adult population by unravelling the complexities of individual views. This understanding, undoubtably, will serve as a foundation for a stronger preventative measures and a better workplace culture that actively defends against the harmful consequences of fraudulent actions.

In conclusion, this research is not just an academic exercise; it is a bridge for the theoretical and real-world application gaps. It aims to empower academia, industry experts, and organisational leaders to show high engagement in creating workplaces that are free from the negative consequences of the fraudulent actions by providing practical insights and applied information.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter will review on some past researches, identifying the key element and the foundation of this research topic, discussing about the theory used, research gap, independent variable, dependent variable and research model.

2.1 Fraud Triangle Theory

Figure 2.1: Fraud triangle
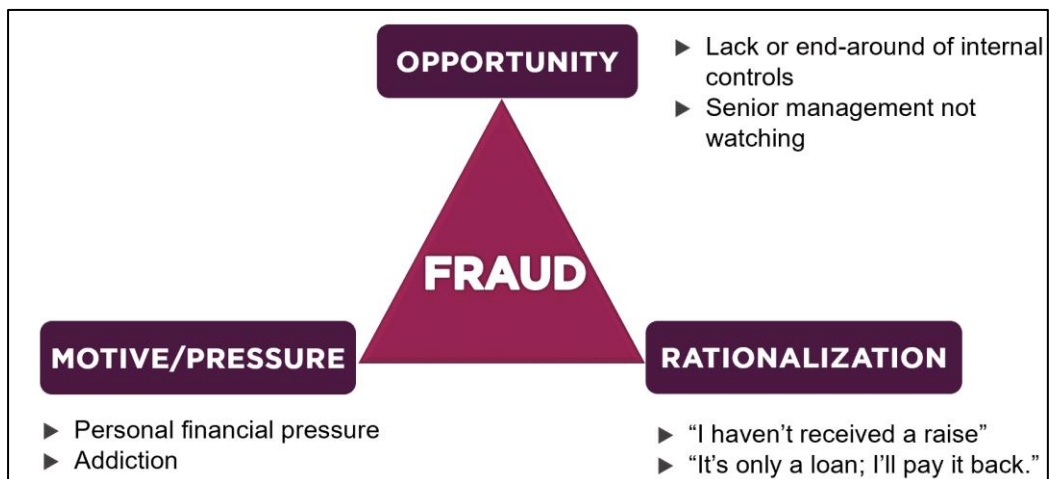
Adapted from: Kniepmann(2020), *The Fraud Triangle: Three Conditions That Increase The Risk Of Fraud.*

Popular American criminologist, penologist and sociologist, Donald Ray Cressey had published a model called "Fraud Triangle" in the year 1953 (Azis et al.,2020).

It is a basic framework that explaining the root cause of the fraudulent activities (Nuswantara & Maulidi, 2020). This model stated that there are three critical elements that influence the fraud, which are pressure, opportunity, and rationalization.

The first element is pressure, which means that the pressure or need that faced by the individual or the organization is one of the factor that caused the intention of fraud. The second element is opportunity, which means that the particular situation people is in, provides the convenience or chance for them to commit fraud. The third element is rationalization, which refers to the attitude or the value that people hold causing them to commit fraud. Although this theory was introduced in the last century, it is still being used until now. Many researchers are still using this theory in their research whenever it is related to the fraud. For example, Dellaportas (2013) and Schuchter and Levi (2015) had obtained the primary data through the direct interview with the fraud suspects to uncover the factors motivating individuals to engage in fraudulent activities. Both of the studies had showed that opportunity providing the greatest influence to the motivation of fraud. Moreover, there

2.2 Closing Research Gap

As mentioned before, many research had been done by the researchers from all over the world. Most of them had showed that the fraud triangle theory is having a direct influence on people's motivation to fraud. However, as mentioned in the chapter 1, there aren't any research or study that really investigate into the influence of the fraud triangle theory towards the fraud cases from the viewpoint of the working adults. In this case, this study attempts to fill this research gap by gaining a better understanding on how working adult perceive the influence of the fraud triangle toward the fraudulent activities. At the end of the day, this research will make contribution for the academia, giving the researcher a better understanding on the

factor that influence the fraud cases. Besides that, government can also use this research as a reference when they want to implement new preventive measure to fight against the fraudulent activities.

2.3 Independent Variable

The independent variable in this study are pressure, opportunity, and rationalization.

2.3.1 Pressure

In this research, the first independent variable is pressure. Based on the fraud triangle theory, pressure can be seen as a non-shareable problem that significantly motivate the individual to commit fraud (Owusu et al., 2021). Pressure can be formed due to various kinds of external and internal problem that faced by the individual itself, such as unexpected financial problem, greed, family issues, limited income, inability to meet financial obligations and so on (Sianipar, 2022). These issues may significantly increase the pressure that faced by the individuals, which may cause them to have higher chance to commit fraudulent activities.

Whenever an individual is facing financial Unexpected financial problem normally are related to the family issues. For example, if suddenly one of the family members having sick and needs huge amount of money to pay for the medical fees, the person who responsible to the household expenses may face high pressure (Omar et al., 2016). Besides that, greed is also one of the elements that may cause people to fraud to satisfy their personally generated desire (Owusu et al., 2021). This may because individuals that having large desires for material possessions, may overspend every

month on buying branded product. This may caused them to carry a lot of debt which directly increase their financial pressure. To release their high financial pressure, individuals may choose an easier way for them to earn the money which is conducting fraud activities (Mohamed et al.,2021).

In this case, several research about people testing the relationship between pressure and the motivation of fraudulent activities will be reviewed. Drawing from the findings of the research that conducted by Anindya & Adhariani (2019), it indicates that both three elements in the fraud triangle which are pressure, opportunity and rationalization will influence the happen of the fraudulent activities. Among these factors, pressure was found out to a higher impact in causing individual to fraud compared to the other two.

Moreover, researcher that done by Panata Bangsar Hasioan Sianipar(2022) also shows that the pressure had significant influence in causing the fraud. Same with the research above, this research also stated that the pressure is the factor that provides the most dominant effect in causing people to conduct fraudulent activities.

Besides that, research done by Dewi & Ajib(2020) also shows that the pressure are always exist in the fraud cases. Lastly, Universiti Teknologi MARA, one of the most popular university in Malaysia, also conducted a research regarding the factors that influencing the fraudulent activities in financial reporting by using the fraud triangle theory. This research also shows that there is a direct relationship between pressure and the fraudulent activities (Isahak et al., 2023).

However, based on the research conducted by the Sabatian & Hutabarat (2020), it shows that the Fraud Triangle Pressure cannot used to explain the variability of fraud.

Therefore, with the above discussion and argument, to conclude that this research study will be testing:

H1: There is a relationship between pressure and fraud cases in working adult perspective.

2.3.2 Opportunity

The second independent variable is opportunity. Opportunity means that the circumstances or the conditions provides the fraudster to gain the chance or convenience to commit fraud. For example, the company is having an ineffective control and corporate governance, the fraudsters are standing at a higher position inside the organization which have more authority that helps them to gain convenience to commit fraud inside the company, inadequate accounting policies and so on (Owusu et al., 2021).

When the position of the fraudster is high, they might able to easily access to the resources and sensitive information of the company (Dewi & Adib, 2020). Besides that, if company fail to apply effective control mechanism and corporate governance, this means that company may have weak internal control, insufficient checks and balance, inadequate oversight and so on (Owusu et al., 2021). Both of the situations give great opportunity to the fraudster in conducting fraudulent activities inside the companies.

Drawing from the research conducted by Anindya & Adhariani (2019), it indicates that the opportunity will influence the intention of the fraudulent activities. Besides that, research done by Dewi & Adib(2020) also conclude that the opporunity is one of the critical element in the fraud cases. Moreover, researcher that done by Panata

Bangsar Hasioan Sianipar(2022) also shows that the variable opportunity will impact significantly toward the motivation of fraud.

Moreover research that done in Malaysia by Universiti Teknologi MARA also shows the direct relationship between opportunity and the fraudulent activities (Isahak et al., 2023).

However, based on the research conducted by the Sabatian & Hutabarat (2020), it shows that the Fraud Triangle opportunity cannot used to explain the variability of fraud.

Therefore, with the above discussion and argument, to conclude that this research study will be testing:

H2: There is a relationship between opportunity and fraud cases in working adult perspective

2.3.3 Rationalization

The third independent variable is rationalization. Rationalization is the internal variable inside the fraudster that caused them to conduct fraudulent activities. For example, the attitude, value and moral that hold by the individual make them to think that conducting the fraud is not a big deal which will cause them to justify their own fraudulent action. This will caused them to have a higher chance to conduct fraud.

When conducing fraud, individuals might develop a mindset that minimize the severity level of their fraudulent act. Besides that, they might also convince themselves that their actions are reasonable (Isahak et al., 2023). Moreover, value and moral also playing a great role in the rationalization process. If fraudster value its own personal gain, thinking that they need to success at any cost, perceives that their actions are necessary for the success, they will have higher chance to rationalization their actions. Individuals who are good at rationalize their own actions, they might have higher chance to convince themselves to conduct the fraudulent activities. For some of the organization's employee, the rationalization process is occurred to justify their criminal acts as they have no choice but to follow their company to fraud (Isahak et al., 2023).

There are several research showed that rationalization has positive relationship with the fraudulent activities. For example, drawing from the research conducted by Anindya & Adhariani (2019), it indicates that the rationalization will greatly influence the intention of the fraudulent activities. Besides that, research done by Dewi & Ajib(2020) also conclude that the rationalization are always exist in the fraud cases. Lastly, research that done in Malaysia by Universiti Teknologi MARA also shows the direct relationship between rationalization and the fraudulent activities (Isahak et al., 2023).

Therefore, with the above discussion and argument, to conclude that this research study will be testing:

H3: There is a relationship between rationalization and fraud cases in working adult perspective.

2.4 Dependent Variable

The dependent variable in this research is the fraud cases in working adult perspective.

2.4.1 Fraud Cases in Working Adult Perspective

The dependent variable for this study is fraud cases in working adult perspective. Nowadays, more and more kinds of fraud were being introduced due to the rapidly advancement of the technology (Ozili, 2020). It does not only affect one's country development but also affect the society. (Hashim et al., 2019) More and more people are involved in this incident, including students, working adults, retired middle-aged people and so on. In this research, this measurement will assess the opinions, attitudes of the working adult towards the fraud cases. Besides that, it also involves the understanding about how working adults perceive the seriousness of the fraudulent activities.

In this case, this research will aim to get the subjective perspective from about 250 working adults that come from various sectors, demographic factors and so on in order to understand about how most of the working adults perceiving about the fraud cases. Besides that, due to different professional environment, working adult may also have different opinion and attitudes towards the fraud cases. For example, in some of the industry, workers may think that fraud is acceptable as it served as the culture of this industry. Besides that, some companies will also ignore the fraud if it is for company's development or it helps to achieves a greater purpose in company long-term profitability. For example, there is a research conducted by KPMG (2013), Malaysia shows that more 60% of respondents had mentioned that business is difficult to operate in Malaysia without giving bribes.

2.5 Research Model

2.5.1 Conceptual Framework

Figure 2.2: Conceptual framework
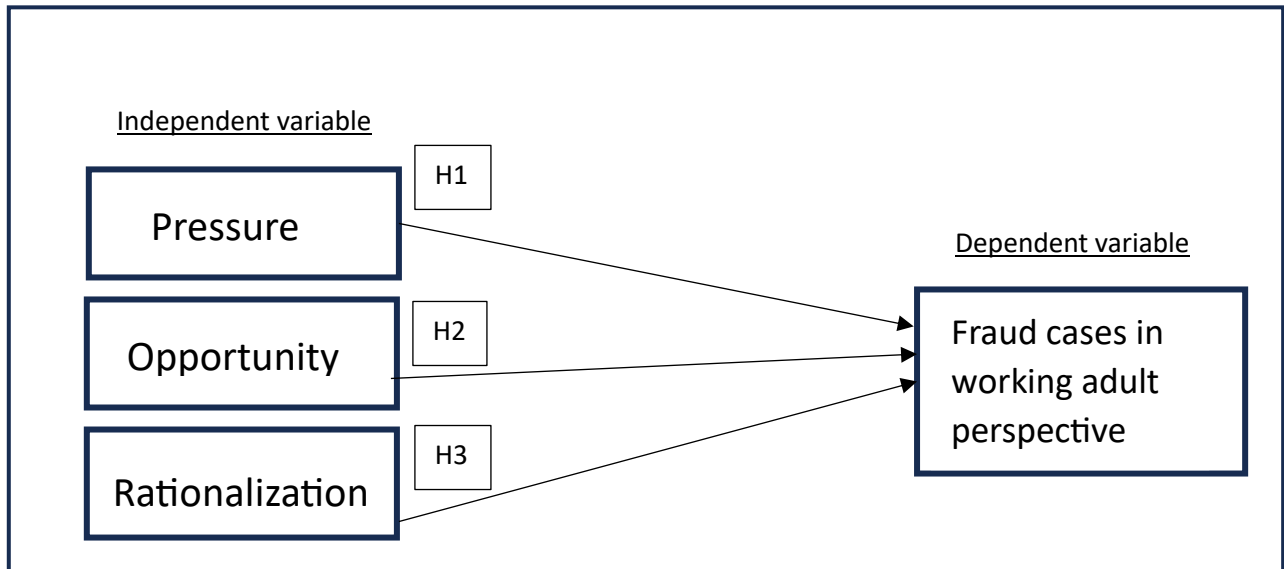
Source: Develop for the Research

Based on the Figure 2.2 above, we can see the conceptual framework of this study which shows the links between the independent variables and the dependent variables. This framework will help to represent the understanding of the concepts. In this framework, it directly shows that pressure, opportunity and rationalization may influence the fraud cases in working adult's perspective which is what we wanted to test in this research.

Therefore, we are going to test these three hypotheses:

H1: There is a relationship between pressure and fraud cases in working adult perspective.

H2: There is a relationship between opportunity and fraud cases in working adult perspective.

H3: There is a relationship between rationalization and fraud cases in working adult perspective.

CHAPTER 3 : RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, we will discuss the research methodology, which includes research design, sampling design, data collection method, research instrument, construct instrument, data processing, and data analysis.

3.1 Research Design

The research design refers to the structure or approach that is selected and used by the researcher while conducting a study. It allows the researcher to choose the most suitable research method to conduct the study successfully. Research design can primarily be classified into two categories: quantitative research design and qualitative research design.

In this research, quantitative research design will be use. This research design focuses on collecting and analyzing numerical data for research purposes such as answering research questions and testing hypotheses (Free, 2015). The most common way to collect this kind of data is through surveys and questionnaires. Besides that, sometimes, the data needed can be collected straight from any trusted secondary sources. The questions designed for quantitative research design are normally close-ended, using multiple-choice, Likert scale, or yes/no choices for participants to choose the most relevant answer (Albers, 2017). The benefit is that the answer is easy for the researcher to compare and interpret, which facilitates an

efficient data collection process (Albers, 2017). The weakness is that it is hard to get a more detailed opinion or answer from the participant. By using quantitative research design, it will help to test the relationship effectively between the pressure, opportunity, rationalization, and fraud cases in working adult perspective, which is the objective of this research.

3.2 Sampling Design

3.2.1 Target Population

The concept of "Target Population" pertains to a specific group of individuals possessing particular attributes that make the researchers interested and wish to draw conclusions (Zehnalová & Kubátová, 2019). However, the target population normally consists of huge amounts of individuals, and it is nearly impossible to get all their opinions. In this case, researchers will use the sampling method to select a representative subset of the population to become the sample for them to collect the data for their research (Zehnalová & Kubátová, 2019).

This research aims to examine the relationship between pressure, opportunity, rationalization, and fraud cases in working adult perspective. Therefore, the target population for this research will be individuals at least 18 years old, who are considered an adult and have a job.

3.2.2 Target Respondent

The respondent's element refers to the characteristics of the participant in this research project. The researcher can find their own respondent based on various kinds of characteristics, such as demographic characteristics, psychographic characteristics, cultural background, socioeconomic status, and so on (Goldberg et al., 2021).

In this research, the respondent element is that the respondent must be at least 18 years old, which is considered an adult, and having a job, in order to investigate the relationship between the pressure, opportunity, rationalization, and fraud cases in working adult perspective.

3.2.3 Sampling Technique

Two primary categories of sampling methods exist: probability sampling methods and non-probability sampling methods (Stratton, 2021). Both categories consist of 4 sampling methods. Under the category of probability sampling methods, there are simple random sampling, systematic sampling, stratified sampling, and clustered sampling (Stratton, 2021). Under the category of non-probability sampling methods, there are convenience sampling, quota sampling, judgment sampling, and snowball sampling (Stratton, 2021).

In this research, convenient sampling will be used. This is because this research is only preliminary research that tries to gain insights into the relationship between pressure, opportunity, rationalization, and fraud cases in working adult perspective.

Besides that, this sampling approach is also appropriate for this study considering the limitations in time and cost.

3.2.4 Sample Size

As mentioned before, the objective of this survey is to test the relationship between pressure, opportunity, rationalization, and fraud cases in working adult perspective, which can be considered as a behavioral test. In this case, Roscoe's guideline will be applied in this research. This guideline suggests that the sample size for the research on behavioral studies should be greater than 30 and less than 500 (Memon et al., 2020). This is because this guideline suggests that if the sample size is larger than 500 in a behavioral test, it would lead to type II errors (Memon et al., 2020).

In this case, this research will recruit 250 respondents to attend the survey, which is within the range of the sample size suggested by Roscoe's guideline.

3.3 Data Collection Methods

Data collection methods are the systematic methods that are used to gather all the data and information for research purposes (Alam, 2020). In this research, primary data collection will be conducted.

3.3.1 Primary Data Collection

Primary data is the data or information collected firsthand by the researcher directly from the source (Parajuli, 2018). This information is original and not yet being organized and interpreted by anyone else. This kind of data normally being collected through activities such as surveys, interviews, observations, experiments, and so on (Parajuli, 2018).

In this study, primary data will be gathered through survey questionnaires distributed via Google Forms. The questionnaires, considered two sections, section A and section B. Section A will require the participants to choose the relevant option based on their own demographic characteristics. In section B, Likert scale choices will be provided for each question for every participant to choose the option that best represents their level of agreement on the question or statement mentioned.

3.4 Research Instrument

Research instruments are the tools or methods that are utilized for data collection in a research study. It can include surveys, interviews, observations, or other activities that are designed to gather information from participants (Monday, 2020). The choice of instrument may be depends on the research objectives and the type of data needed (Monday, 2020). In a nutshell, correct research instruments are essential for systematically collecting data in order to test the research hypotheses.

3.4.1 Questionnaire Design

In this study, primary data will be gathered through the utilization of a questionnaire. The questionnaire for this research will be separated into two parts, namely section A and section B. In section A, participants will be required to choose the relevant option based on their own situation. In section B, a Likert scale will be provided for each question, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. Each participant will have to choose an option based on their level of agreement on the questions mentioned. The table below consists of the questions that will be asked inside the questionnaires.

3.4.1.1 Section A

In section A, there are six demographics questions that need to be answered by the participants.

Table 3.1: Section A (Demographic Questions)

Variable	No.	Question	Options
Demographic	D1	Age	• 20 years old and below • 21 to 30 years old • 31 to 40 years old • 41 to 50 years old • 51 years old and above
	D2	Gender	• Male • Female
	D3	Education Qualification	• Secondary School • Foundation/Diploma

			• Bachelor of Degree
			• Master
			• PHD
	D4	Employment Status	• Full-time
			• Part-time
			• Seeking employment
			• Retired
	D5	Monthly Income	• RM1000 and below
			• RM1001 to RM2000
			• RM2001 to RM3000
			• RM3001 to RM4000
			• RM4001 to RM5000
			• RM5001 and above
	D6	Marital Status	• Single
			• Married
			• Prefer not to answer

Source: Developed for the research

3.4.1.2 Section B

Section B consists of 20 questions for all the variables. Each variable consists of 5 questions. The questions for the independent variables (pressure, opportunity, and rationalization) are retrieved from Owusu et al. (2021). The questions for the dependent variable (fraud cases in working adult perspective) are retrieved from Johnson, S. (2017). The highlighted parts in the table below are the questions that were amended to better suit this research.

Table 3.2: Section B (Variable's Questions)

Variable	No.	Question Used	Original Question
Pressure	P1	**Individuals conduct fraud as work pressure is high.**	My work pressure is high.
	P2	**Individuals conduct fraud as family expenses are extremely costly, which they cannot afford to pay in some cases.**	Family expenses are extremely costly, which I cannot afford to pay in some cases.
	P3	**Individuals conduct fraud as they faced with tension and depression because of the constant pressure at work**.	I am faced with tension and depression because of the constant pressure at work.
	P4	**Individuals conduct fraud as expenses on necessities need to be cut off to ensure that their salary will be sufficient until the end of the month.**	Expenses on necessities need to be cut off to ensure that my salary will be sufficient until the end of the month.
	P5	**Individuals conduct fraud as their work needs them to achieve KPI given by the company.**	My work needs me to achieve KPI given by the company.
Opportunity	O1	Separation of roles and responsibilities is clear.	Separation of roles and responsibilities is clear.
	O2	Every transaction done has sufficient documentation and approval.	Every transaction done has sufficient documentation and approval.
	O3	Transactions are being recorded in the correct accounting period.	Transactions are being recorded in the correct accounting period.
	O4	Transactions are being entered in a timely manner.	Transactions are being entered in a timely manner.

	O5	Proper supervision, monitoring, and review of work are implemented.	Proper supervision, monitoring, and review of work are implemented.
Rationalization	R1	**Individuals conduct fraud as they think no one will suffer if they use the office facilities for personal purposes.**	No one will suffer if I use the office facilities for personal purposes.
	R2	**Individuals conduct fraud as they believe they must save a family member or loved one who is in need of financial aid.**	I believe I must save a family member or loved one who is in need of financial aid.
	R3	**Individual conduct fraud as they think they are underpaid with the amount of responsibility given to them.**	I think I am underpaid with the amount of responsibility given to me.
	R4	**Individuals conduct fraud as they think they are only borrowing the asset of the office and they will return it back when they are done.**	I am only borrowing the asset of the office and I will return it back when I am done.
	R5	**Individuals conduct fraud as they believe they are in a desperate financial situation.**	I believe I am in a desperate financial situation.
Fraud cases in working adult perspective	F1	**Fraud is a common occurrence in Malaysia.**	Fraud is a common occurrence at Belun.
	F2	**Certain types of fraud are acceptable in Malaysia.**	Certain types of fraud are acceptable at Belun.
	F3	**Certain types of fraud are encouraged at Malaysia.**	Certain types of fraud are encouraged at Belun.
	F4	Some fraud is acceptable if it achieves a greater purpose.	Some fraud is acceptable if it achieves a greater purpose.

	F5	**Government tries to prevent fraud.**	Management tries to prevent fraud.

Source: Developed for the research

3.4.2 Measurement Scale

In this research, two types of measurement scales will be utilized, namely nominal scale and ordinal scale.

3.4.2.1 Nominal Scale

A nominal scale is a form of measurement scale that categorizes the data into distinct categories or groups (Joko Hadi Susilo et al., 2020). There isn't any inherent order or numerical value among the groups.

Example: What is your gender?

- Male
- Female

3.4.2.2 Ordinal Scale

An ordinal scale is also a type of measurement scale that usually been used in statistics or research projects in order to categorize data into groups (Bloem, 2021). However, unlike a nominal scale, which simply categorizes data into distinct groups

without any inherent order, an ordinal scale assigns rank and order to the categories (Bloem, 2021).

Example: What is your education qualification?

- Secondary School
- Foundation/Diploma
- Bachelor of Degree
- Master
- PHD

3.4.3 Pilot Test

Pilot test, also known as pilot study and pilot experiment, is a small-scale study (Lakens, 2022). It is necessary to be conducted before proceeding to the data-collecting process to guarantee the questionnaire's reliability. Normally, 30 to 100 responses will be collected for the pilot test (Lakens, 2022). The Cronbach's Alpha value above 0.60 is acceptable, which means that the questionnaire has a moderate reliability level. Cronbach's Alpha value above 0.70 is considered good, which means that the questionnaire has good reliability.

In this study, we will collect 30 responses for the pilot study. Table 3.3 illustrates the reliability test's Cronbach's alpha result of the IV and DV questions, which is 0.725 after deleting two DV questions (F3, F5) with lower reliability.

Table 3.3: Reliability Test's Result of the Pilot Test

Cronbach's Alpha	N of Items
0.725	18

Source: Developed for the research

3.5 Data Processing

In this study, all data collected using Google form will be retrieved and saved as an excel file. It will then be imported into the SPSS software to be analyzed.

3.5.1 Data Checking

Before distributing the questionnaire, we will ensure that the study subjects do not have any cognitive impairment. They should be mentally sound, where his/ her mental faculties are functioning normally.

This is to ensure we will gain adequate insights into the relationship between pressure, opportunity, rationalization, and fraud cases in working adult perspective.

3.5.2 Data Coding

Data coding uses representative numbers to represent the options of survey questionnaires. As mentioned before, the survey questions contain two sections, which are sections A & B. For section B that used the Likert scale technique to collect data. Each questions contain five options, strongly disagree, disagree, neutral, agree, and strongly agree, which represent from number 1 to number 5.

3.5.3 Data Cleaning

Once the data collection process has been done, we will check the data to avoid any missing answers or typing errors.

3.6 Data Analysis

Data analysis involves uncovering valuable insights and drawing meaningful conclusions from the collected information to support the decision-making process (Rahman & Muktadir, 2021). There are several techniques and methods to extract insights, patterns, trends, and relationships from the datasets collected during the research. These tools greatly help the researcher in hypothesis testing and conclusion-making during the research (Rahman & Muktadir, 2021).

3.6.1 Descriptive Analysis

Descriptive analysis can be considered as the initial stage of examining entire datasets, where the researcher can take a good look at the responses collected and try to make sense of them (Siedlecki, 2020). It's all about breaking down the data into different parts to see what's going on. There are four main ways to do this. Firstly, the researcher can conduct the measurement of frequency, which basically tells the researcher how often that something happens (Sidel et al., 2018). Secondly, there are measurements of central tendency, such as mean, median, and mode (Sidel et al., 2018). These elements will give the researcher an idea of the average or most common value in the data. Thirdly, measures of dispersion complement the central tendency by quantifying the spread or variability of data points across a range

(Siedlecki, 2020). This will allow the researcher to have a deeper examination of the distribution's shape and outliers which enhance the interpretation of statistical summaries. Finally, measures of position help researchers to understand where a particular value fits in compared to the rest of your data, which are normally been used for spotting outliers or extreme values (Siedlecki, 2020). Overall, the descriptive analysis provides the researcher with a summary of the data collected before diving into a more detailed analysis (Sidel et al., 2018).

3.6.2 Reliability Test

The reliability test is the analysis that tests the stability and dependability of the measurement scale. Cronbach's alpha is the prevalent measure commonly used for assessing reliability (Amirrudin et al., 2020). Normally, this measurement is used when the questionnaire contains multiple Likert scale questions and the researcher wishes to determine if the scale is reliable (Amirrudin et al., 2020). Based on the table below, Cronbach's alpha is considered acceptable when its result is more than 0.7, good when more than 0.8, and excellent when more than 0.9. Higher result means higher reliability. In this research, The reliability of the scale will be evaluated using the SPSS software to ensure its consistency..

Table 3.4: Rule of Thumb of Cronbach's Alpha

Cronbach's Alpha	Internal Consistency
0.90-1.0	Excellent
0.80-0.89	Good
0.70-0.79	Acceptable
0.60-0.69	Questionable

0.50-0.59	Poor
Less than 0.50	Unacceptable

Source: *Cronbach's Alpha – a Measure of the Consistency Strength* (2023)

3.6.3 Inferential Analysis

Normally, researchers can only acquire data from samples, as it is almost impossible to collect data from the whole target population in most situations due to the limitations of the expenses and time. Different from descriptive statistics which helps summarize the dataset, inferential statistics is a statistical technique that helps the researcher use the sample to make predictions and draw conclusions about the larger population (Pyrczak & Oh, 2023). This analysis method employs the probability theory and also statistical models in order to make predictions about population characteristics and assess population theories using sample data (Pyrczak & Oh, 2023). In summary, both descriptive and inferential analyses hold equal significance in research endeavors as they complement each other for the researchers to understand and analyze their data

.

3.6.3.1 Correlation Test

Correlation tests analyze the degree of association between two variables through a correlation coefficient. This coefficient, also known as Pearson's correlation coefficient, measures the linear association between variables (Chatterjee, 2020). It ranges from +1 (complete positive correlation) to 0 (no correlation) to -1 (complete negative correlation). Correlation analysis helps identify the relationships, patterns, and trends in quantitative data collected through methods like surveys and polls. Normally, this correlation test is useful in market research for understanding the

connections between variables in order to have a more efficient decision-making process (Chatterjee, 2020). For this study, the Pearson's correlations test will be carried out using SPSS software to know the association among the variables. The table provided illustrates the association between the independent variables and dependent variables while having different ranges of the Pearson Correlation Coefficient result.

Table 3.5: The Relationships between each range of Pearson Correlation Coefficient

Ranges	Relationships	Direction
Greater than 0.5	Strong connection	Positive
Between 0.3 and 0.5	Moderate connection	Positive
Between 0 and 0.3	Weak connection	Positive
0	None	None
Between 0 and –0.3	Weak connection	Negative
Between –0.3 and –0.5	Moderate connection	Negative
Less than –0.5	Strong connection	Negative

Source: Pearson Correlation Coefficient (r) | Guide & Examples

3.6.3.2 Multiple Linear Regression Analysis

Linear regression analysis is a statistical method used to predict a dependent variable based on an independent variable's value. Multiple linear regression is the extension of linear regression where it analyses the relationship between a dependent variable and multiple independent variables. This analysis estimates coefficients for a linear equation involving one or more independent variables to best predict the dependent variable's value (Alita et al., 2021). Businesses and organizations often use multiple linear regression by leveraging data in order to make strategic decisions. This analysis helps to transform large datasets into

actionable insights, aiding in a better understanding of the business environment (Alita et al., 2021). Multiple linear regression models offer simple, interpretable mathematical formulas for generating predictions and finding applications across various business and academic domains (Piekutowska et al., 2021). Its well-understood properties and quick training make it a preferred choice for predictive modeling. In this case, this research will be using the multiple linear regression analysis to analyze the relations between the fraud triangle(pressure, opportunity, and rationalization) and fraud cases in working adult perspective.

Multiple Regression Model:

$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \ldots + \beta_n XN$

Multiple Regression Equation:

$FC = \beta_0 + \beta_1 P + \beta_2 O + \beta_3 R$

Symbol:

Y= Dependent Variable

XN= Independent Variable

B_0 = Intercept

$B_{1,2\ldots}$= Slope Coefficient

FC= Fraud Cases in Working Adult Perspective.

P= Pressure

O= Opportunity

R= Rationalization

3.6.3.3 Multicollinearity Test

Multicollinearity is a concept or situation where several independent variables in one research are correlated (Shrestha, 2020). Variables are considered perfectly collinear when the correlation coefficient is positive or negative 1.0. Higher collinearity among the variables will result in less reliability of the research as it will lead to misleading results when the researcher seeks to analyze the most effective independent variable in predicting or comprehending the dependent variable within a research (Shrestha, 2020). In this case, a multicollinearity test will be included in this research to ensure less collinearity among the variables.

3.6.3.4 ANOVA

Analysis of variance (ANOVA) is one of the analysis tools that helps to break down the total variability in a bunch of data into two parts, systematic factors and random factors. After running ANOVA, researchers can then dive deeper into the factors that seem to have a real or significant impact on your data (Ewing & Park, 2020). Normally, researchers use the results from ANOVA to do more tests, like F-tests, to gain more insights into how the data fits together.

One major feature of ANOVA is that it allows the researchers to compare multiple groups of data at once, which helps to analyze if there's a meaningful relationship between them (Ewing & Park, 2020). Besides that, the F-statistic, or F-ratio, that ANOVA provides also helps the researcher to understand the differences between groups. There are two main types of ANOVA, one-way and two-way ANOVA (Ewing & Park, 2020). One-way ANOVA checks out how one factor affects one thing while two-way ANOVA drives deeper and checks out about the way two factors interact. In conclusion, ANOVA helps researchers to easily understand the relationship between different variables, identify the significant factors, and so on,

which will lead to an efficient research process. In this research, ANOVA will also be tested by using the SPSS.

CHAPTER 4: DATA ANALYSIS & FINDINGS

4.0 Introduction

This chapter is to examine the data collected from the survey through SPSS software. It consists of descriptive, reliability, and inferential analysis.

4.1 Descriptive Analysis

4.1.1 Demographic Information

4.1.1.1 Age of Respondents

Table 4.1: Age of Respondents

1)What is your age?	Frequency (n)	Percentage (%)
20years old and below	1	0.4
21 to 30 years old	52	20.8
31 to 40 years old	86	34.4
41 to 50 years old	104	41.6
51 years old and above	7	2.8
Total	250	100.0

Source: Developed for the research

Figure 4.1: Age of Respondents
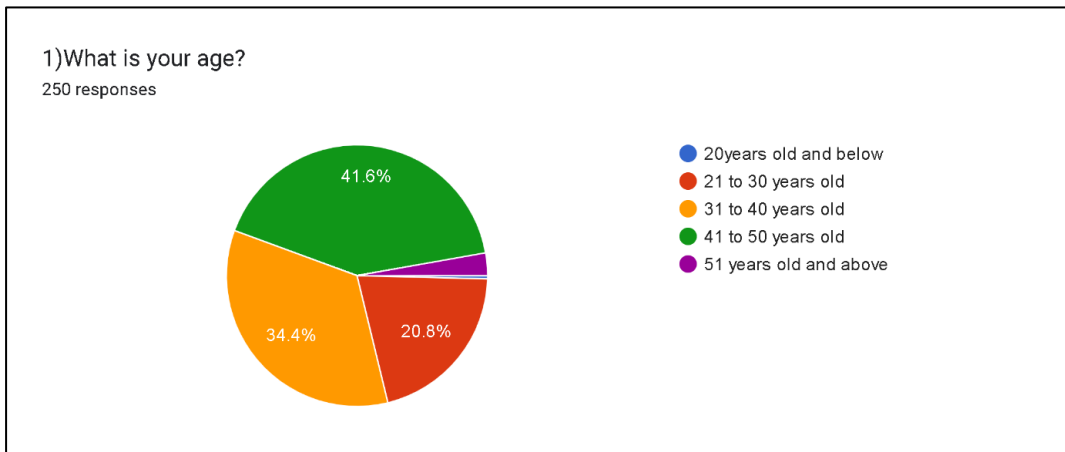
Source: Data collected from Google Forms

Table 4.1 and Figure 4.1 show the age of respondents, many of them are between 41 to 50 years old, which is about 41.6% of respondents. It is then followed by the age group 31-40 years old which is 34.4%, and the age group 21-30 years old which is 20.8%. The 51 years old and above is 2.8%. The age group of 20 years old and below has the lowest percentage which is 0.4%.

4.1.1.2 Gender of Respondents

Table 4.2: Gender of Respondents

2)What is your gender?	Frequency (n)	Percentage (%)
Male	146	58.4
Female	104	41.6
Total	250	100.0

Source: Developed for the research

Figure 4.2: Gender of Respondents

2)What is your gender?
250 responses

41.6%

58.4%
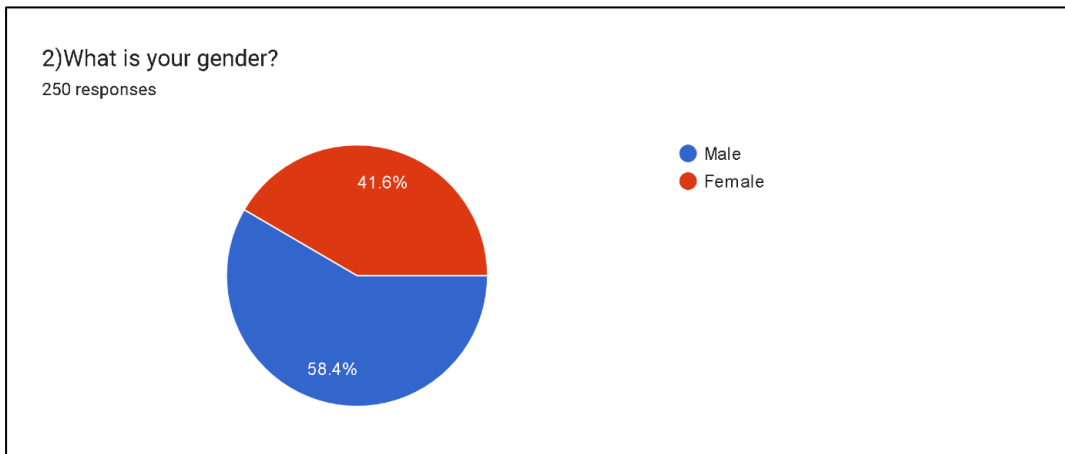
● Male
● Female

Source: Data collected from Google Forms

Table 4.2 and Figure 4.2 show the gender of respondents. Among all the respondents, male respondents account for 58.4%, and female respondents are 41.6%.

4.1.1.3 Education Qualifications of Respondents

Table 4.3: Education Qualifications of Respondents

3)What is your education qualification?	Frequency (n)	Percentage (%)
Bachelor of Degree	104	41.6
Foundation/Diploma	7	2.8
Master	87	34.8
PHD	31	12.4
Secondary School	21	8.4
Total	250	100.0

Source: Developed for the research

Figure 4.3: Education Qualification of Respondents
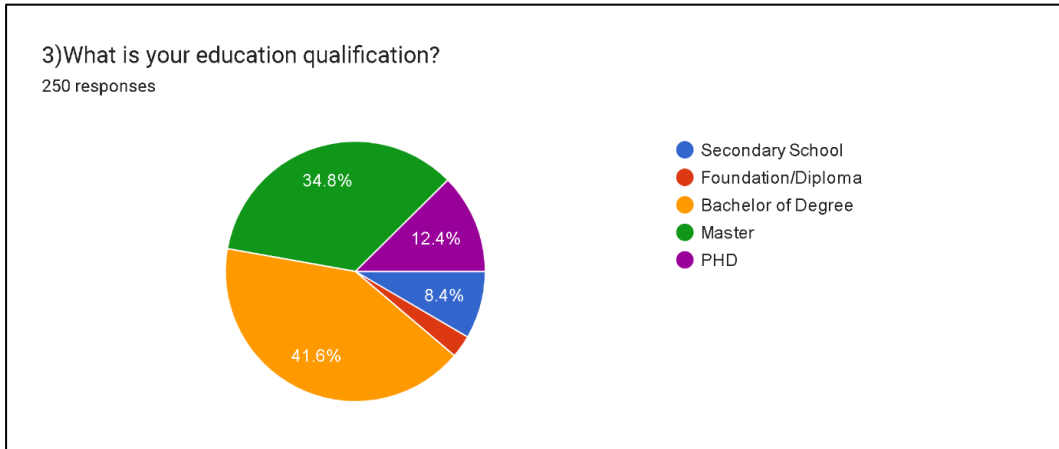
Source: Data collected from Google Forms

Table 4.3 and Figure 4.3 show the education qualifications of respondents. Many of the respondents have obtained a Degree, which is 41.6%. It is then followed by the Master level which is 34.8%, PHD level which is 12.4%, the secondary level which is 8.4% and the Foundation/ Diploma level which is 2.8%.

4.1.1.4 Employment Status of Respondents

Table 4.4: Employment Status of Respondents

4) What is your employment status?	Frequency (n)	Percentage (%)
Full-time	238	95.2
Part-time	6	2.4
Seeking employment	6	2.4
Total	250	100.0

Source: Developed for the research
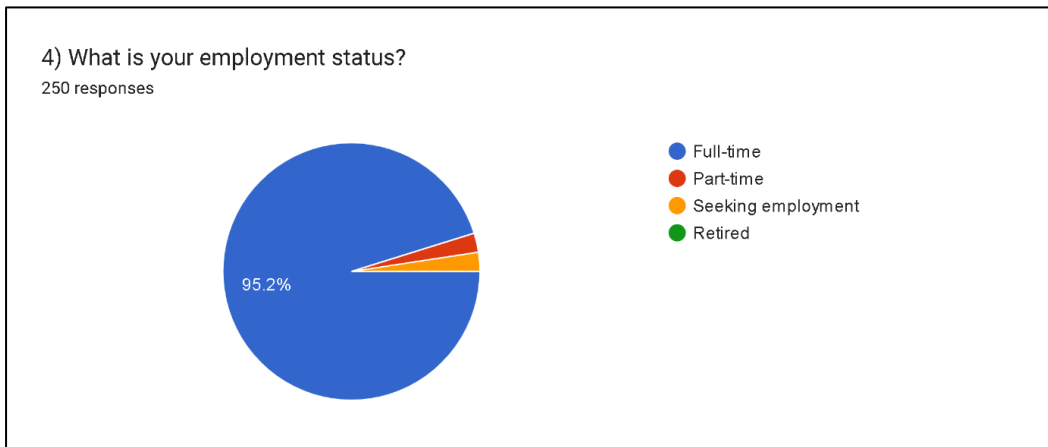
Source: Data collected from Google Forms

Table 4.4 and Figure 4.4 show the employment status of respondents. Most of the respondents are having their full-time job, which is 95.2%. 2.4% of them are having their part-time job. 2.4% of them just quit their current job and are temporarily seeking for jobs. With the experience they gained in their job or workplace before, we also considered them as working adults and analyze their data together with the others.

4.1.1.5 Monthly Income of Respondents

Table 4.5: Monthly Income of Respondents

5)What is your monthly income?	Frequency (n)	Percentage (%)
RM1000 and below	7	2.8
RM1001 to RM 2000	2	0.8
RM2001 to RM 3000	14	5.6
RM3001 to RM 4000	47	18.8

RM4001 to RM 5000	105	42.0
RM 5001 and above	75	30.0
Total	250	100.0

Source: Developed for the research

Figure 4.5: Monthly Income of Respondents
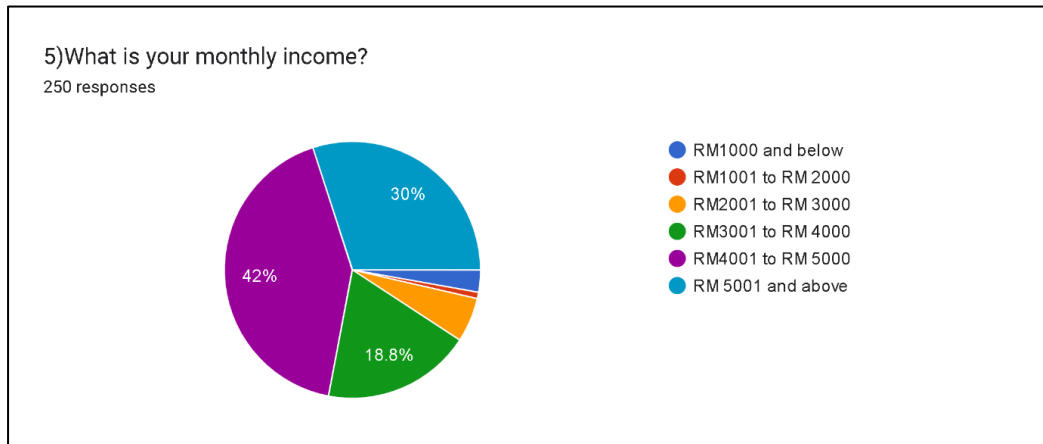
Source: Data collected from Google Forms

Table 4.5 and Figure 4.5 show the monthly income of respondents. Among all the respondents, most of their monthly income is between RM 4001 to RM 5000, which is 42%. It is then followed by monthly income of RM5001 and above which is 30%, 18.8% having income between RM 3001 to RM 4000, 5.6% having income between RM 2001 to RM 3000, 2.8% having income RM 1000 and below, and 0.8% having income between RM1001 to RM 2000.

4.1.1.6 Marital Status of Respondents

Table 4.6: Marital Status of Respondents

6)What is your marital status?	Frequency (n)	Percentage (%)
Single	136	54.4
Married	105	42.0
Prefer not to answer	9	3.6
Total	250	100.0

Source: Developed for the research

Figure 4.6: Marital Status of Respondents
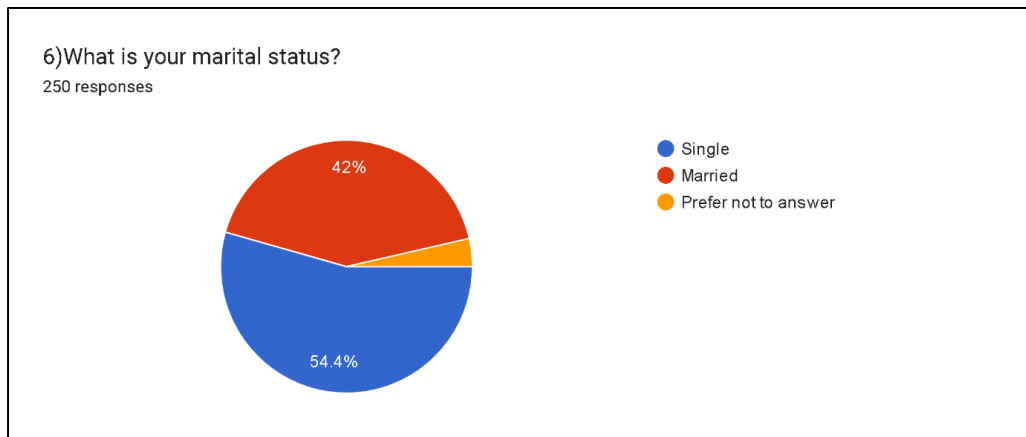
Source: Data collected from Google Forms

Table 4.6 and Figure 4.6 show the marital status of respondents. Among all the respondents, 54.4% of them are single, 42% of them are married, and 3.6% of them prefer not to answer.

4.1.2 Frequency Test of the Variables

Table 4.7: Frequency test of the Variables

Variables	N	Mean	Standard Deviation
Pressure	250	3.8032	0.72077
Opportunity	250	3.6128	0.82656
Rationalization	250	3.8712	0.68832
Fraud Cases in Working Adult Perspective (FC)	250	3.7560	0.89797

Source: Developed for the research

Based on Table 4.7, the variable Rationalization has the highest mean among all the variables, which is 3.8712. It is then followed by the pressure which is 3.8032, fraud cases in working adult perspective (FC) which is 3.7560, and opportunity which is 3.6128.

For the standard deviation, from highest to lowest are fraud cases in working adult perspective (0.89797), opportunity(0.82656), pressure(0.72077), and rationalization (0.68832).

4.2 Reliability Analysis

Table 4.8: Reliability Result of Current Research

Variables	Cronbach's Alpha	No. of items
Pressure	0.785	5
Opportunity	0.792	5
Rationalization	0.775	5
Fraud Cases in Working Adult Perspective (FC)	0.752	3

Source: Developed for the research

Based on Table 4.8, Cronbach's Alpha's result of all the variables is higher than 0.7. As mentioned before, Cronbach's Alpha's results of more than 0.7 are considered good, which means that the scale is reliable. Among them, the Cronbach's Alpha of the opportunity is the highest which is 0.792, then followed by the pressure which is 0.785, rationalization which is 0.775, and the dependent variable, fraud cases in working adult perspective which is 0.752. In this case, we can conclude that all the tested variables are reliable.

4.3 Inferential Analysis

4.3.1 Pearson Correlation Coefficient Analysis

Table 4.9: Pearson Correlation Coefficient Analysis

	Pressure	Opportunity	Rationalization
Fraud Cases in Working Adult Perspective (FC)	0.725	0.527	0.710
Significant Value (p value)	<0.001	<0.001	<0.001

Source: Developed for the research

Table 4.9 shows the result of the Pearson Correlation Coefficient Analysis of this research. When the value of the correlation is above 0.5, it means that there are connection between the two variables. From Table 4.9, we can see that all the independent variables (pressure, opportunity, and rationalization) have a relationship with the dependent variable (fraud cases in working adult perspective). The highest value of the correlation coefficient that tested with the dependent variable is the pressure, which is 0.725. It is then followed by rationalization which is 0.710, and opportunity which is 0.527.

The significant value of the three independent variables is less than 0.001. When the p-value is less than 0.001 (or 0.1%), it indicates an extremely low probability that the observed relationship between each independent variable and the dependent variable occurred due to random chance. Therefore, this result concludes that the relationships between the variables are statistically significant and not merely the result of random variation in the data.

4.3.2 Multiple Linear Regression Analysis

4.3.2.1 Model Summary

Table 4.10: Multiple Linear Regression Analysis (Model Summary)

R	R Square	Adjusted R Square	Standard Error of the Estimate
0.758	0.575	0.570	0.58880

Source: Developed for the research

Based on Table 4.10, we can see that the R square result is 0.575, which means that 57.5% of the variance in the dependent variable is explained by the independent variables in the regression model.

4.3.2.2 ANOVA Test

Table 4.11: Multiple Linear Regression Analysis (ANOVA Test)

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	115.499	3	38.500	111.052	<0.001
Residual	85.284	246	0.347		
Total	200.783	249			

Source: Developed for the research

In the ANOVA test, if the significant value is less than 0.05, it means that the model is significant. Based on Table 4.11, the significant value is less than 0.001, which means that this research model of the current study is significant.

4.3.2.3 Coefficients

Table 4.12: Multiple Linear Regression Analysis (Coefficients)

Variable	Unstandardized Coefficient		Standardized Cofficient	t Value	Sig	Statistics VIF
	B	Standard Error	Beta			
(Constant)	-0.187	0.222		-0.844	0.400	
Pressure(P)	0.491	0.093	0.394	5.297	<0.001	3.213
Opportunity(O)	0.111	0.057	0.102	1.937	0.054	1.609
Rationalization(R)	0.432	0.095	0.331	4.562	<0.001	3.055

Source: Developed for the research

Multiple Regression Equation:

$FC = -0.187 + 0.394P + 0.102O + 0.331R$

$FC = \beta_0 + \beta_1 P + \beta_2 O + \beta_3 R$

$\beta_0 = -0.187$ which means when P, O, and R are equal to zero, the FC is -0.187.

$\beta_1 = 0.394$ which means when P increase by 1%, the FC will increase 0.394%.

$\beta_2 = 0.102$ which means when O increase by 1%, the FC will increase 0.102%.

$\beta_3 = 0.331$ which means when R increase by 1%, the FC will increase 0.331%.

Based on Table 4.12, pressure and rationalization have a relationship with the fraud cases in working adult perspective since the significance value is < 0.001, which is less than the alpha value of 0.05. Between these two variables, we can know that pressure is more important than rationalization by comparing the standardized coefficient beta, the bigger the value, the more it contributes to the overall model. However, the significant value of the opportunity is slightly more than 0.05, which is 0.054. In this case, we can only conclude that the result is slightly significant based on the 95 percent confidence level, and it is significant if based on the 90 percent confidence level. Therefore, we can conclude that both three hypotheses (H1, H2, and H3) are accepted in this study. While looking at the result of the Statistics VIF, the results of three variables are less than 5 which means that all the independent variables are not collinear with each other.

4.4 Conclusion

Table 4.13: Conclusion

Variable	Unstandardized Coefficient		Standardized Cofficient	Sig	Hypothesis
	B	Standard Error	Beta		
(Constant)	-0.187	0.222		0.400	
Pressure(P)	0.491	0.093	0.394	<0.001	H1 Supported
Opportunity(O)	0.111	0.057	0.102	0.054	H2 Supported
Rationalization(R)	0.432	0.095	0.331	<0.001	H3 Supported

Source: Developed for the research

In conclusion, 250 of the respondents' data are taken to analyze in this research by using the SPSS software. The independent variables, pressure, and rationalization are shown to have relationships with the dependent variable which is fraud cases in working adult perspective. The variable opportunity is considered slightly significant. Hence, both H1, H2, and H3 are supported in this study.

CHAPTER 5: DISCUSSION, CONCLUSION, AND IMPLICATIONS

5.0 Introduction

This chapter will discuss the major findings, implications, limitations, and recommendations for future research stemming from this study.

5.1 Discussion on Major Findings

H1: Based on Table 4.12, pressure has a relationship with fraud cases in working adult perspective as the significant value is less than 0.001, which means that the pressure has relationship with fraud cases in working adult perspective. This finding aligns with previous research conducted by Anindya & Adhariani (2019), which also highlights the influential role of pressure in facilitating fraudulent behavior. Similarly, a study by Panata Bangsar Hasioan Sianipar (2022) corroborates these findings by indicating that pressure significantly influences the occurrence of fraud. Furthermore, research conducted by Dewi & Ajib (2020) underscores the consistent presence of pressure in fraudulent cases. Additionally, findings from Kazemian et al. (2019) further support these results, demonstrating a positive relationship between pressure and fraudulent activities. In this case, by having the result supported by these journals, we can conclude that the pressure has its relationship with the fraud cases in working adult perspective. When people do not have a strong moral sense, there is a high possibility for them to choose an easier way, which is via conducting fraudulent activities, to obtain money when facing pressure such as financial difficulty (Awalluddin et al., 2022).

H2: Based on Table 4.12, the variable opportunity is slightly significant at a 95
percent confidence level and significant at a 90 percent confidence level. In this
case, H2 is supported. This finding aligns with the research done by Anindya &
Adhariani (2019), and Dewi & Adib(2020). This could be because although the
organization nowadays has made a lot of effort to prevent fraud in their organization
by implementing various kinds of fraud prevention measures in its daily operations,
there are still some loopholes in the rules and regulations such as the organization's
corporate governance. By implementing an effective reporting system, internal
control, and hiring trustworthy accountants and fraud examiners, organizations can
actually decrease the opportunity of fraud to the lowest (Setyaningsih & Nengzih,
2020). Besides that, governmental fraud prevention measures also contribute to
reducing the opportunities for fraudulent activities to a certain extent (Abdul Latif
et al., 2021). However, with the advancement of technology from time to time,
fraudsters can always find new ways to gain the opportunity to conduct fraudulent
activities. According to Bukit Aman's Commercial Crime Investigation Department
(CCID) director, Datuk Seri Ramli Mohamed Yoosuf, the emergence of these
technologies, such as AI, Quantum Computing, and Augmented Reality (AR) in the
year 2024, poses a greater challenge in combatting online crimes. Besides that,
loopholes inside the corporate governance policy are also one of the opportunities
for fraud. Hence, regular checking and amendments to the rules and regulations or
corporate governance are crucial in order to reduce fraudulent activities within an
organization.

H3: Based on Table 4.12, rationalization has a relationship with the fraud cases in
working adult perspective as the significant value is less than 0.001. This means
that the rationalization will lead to fraud cases in working adult perspective. The
result is aligned with the research conducted by Anindya & Adhariani (2019), which
shows that rationalization will greatly influence the intention of the fraudulent
activities. Besides that, research done by Dewi & Ajib(2020) also concludes that
rationalization always exists in fraud cases. Moreover, according to Kazemian et al.
(2019), also shows that rationalization is positively associated with fraudulent
activities. Hence, we can conclude that rationalization has a relationship with fraud

cases in working adult perspective. When individuals rationalize their fraudulent behaviours, it will make them think that what they are doing is correct and it needs to be done (Aksa et al., 2020). This will directly cause an increase in fraud cases.

5.2 Implications of the Study

Nowadays, fraudulent activities have increased significantly, posing substantial challenges for individuals, businesses, and governments worldwide. The aim of this study is to investigate the specific factors influencing individuals to engage in fraudulent behavior, particularly focusing on how working adults perceive the impact of the fraud triangle hypothesis on such behaviors. The result showed that both pressure, opportunity, and rationalization have their effect on fraud cases in working adult perspective. This might allow the government and the organization to plan and apply effective measures to prevent fraud that causes significant financial loss to the public. Effective fraud prevention is crucial in creating a safe business environment that protects the stakeholders and community benefits.

5.2.1 Policy Formulation

The research's findings may help the government during the process of the introduction and enhancement of regulatory policies to prevent and detect fraud more effectively. As pressure is one of the factors that cause fraudulent activities in working adult perspective, the government can reserve funds for the purpose of funding those individuals who are facing financial difficulty. By having these measures, the government can help its people reduce their financial pressure and eventually reduce the possibility of fraudulent activities. Moreover, financial difficulty may also due to the economy is not doing well. By implementing

measures to enhance the economy, the government can uplift its citizens' standard of living and alleviate financial hardships.

Lastly, the government can also provide better rules and regulations for protecting the whistle-blower. Sometimes, a whistle-blower is not welcome within the organization as their report on the company's fraud cases may greatly affect the company's profit and image. In this case, employees may not want to get involved if the government cannot protect their benefit after they become the whistle-blowers. This situation may also become an opportunity for the fraudster as they know no one will dare to report their fraudulent actions. In conclusion, proper rules and regulations that protect the whistle-blower will help to encourage the employees to report their company's unethical behavior or fraudulent activities which fosters a healthier business environment where stakeholders' benefit is well protected.

5.2.2 Risk Management

For the organization, these research findings may help to enhance fraud prevention in their daily operations. Based on the research findings, organizations can identify the highly possible risk factors that lead to fraud among their employees. This may help the higher management to tailor better prevention strategies based on the background and current situation of the employees. For example, in this research, we have identified that pressure is one of the major factors that cause individuals to conduct fraud from working adult perspective. In this case, the company may provide financial support and counselling to those employees who are in financial difficulties in order to lighten their burden and prevent them from committing fraud. Besides that, the organization may also apply flexible work arrangements, personal financial assistance, and so on to help their employees get through this financial difficulty period.

Moreover, since this research proved that opportunity is also one of the major factors that cause people fraud, the organization should evaluate its internal control measures and corporate governance policy regularly and enhance it from time to time. By doing so, the benefit of the stakeholders of the company including the customer, and the employee can be well protected from fraudulent activities. Besides that, these actions can also greatly enhance the confidence of the investor, and also attract more and more potential investors to invest in the organization.

5.2.3 Training and Awareness Programs

The government may provide training programs and educational programs to raise the awareness of the public about the factors that drive fraudulent behaviors. By educating employees, employers, and other stakeholders about the fraud risks associated with pressure, opportunity, and rationalization, government agencies can empower them to identify and address these issues in the early stages before causing significant losses in the organizations (Hamid & Nasih, 2021).

Besides that, the government can also foster its citizens' moral sense through education from a younger age such as primary or secondary school. Developing a strong moral sense can effectively steer individuals towards ethical behavior, lowering the risk of individuals rationalizing their own fraud actions, thereby lowering the possibility of fraud. This approach will ensure the benefits of various stakeholders, including employees, investors, and consumers.

5.2.4 Culture and Values

Based on the research result, rationalization is also a major factor that influences individuals to conduct fraud in working adult perspective, which means that employee's thoughts and ideas are very important in deciding whether they will conduct fraudulent acts. These research findings will help to encourage organizations to foster a culture of integrity, transparency, and accountability within their operations. By promoting ethical values and behaviors, organizations can create an environment where their employees are less likely to conduct fraud and feel empowered to act ethically (Setyaningsih & Nengzih, 2020). This will help to eliminate the risk of fraud within the organization which reduces the chances of company financial losses and also enhances the company image and reputation.

5.3 Limitation of the Study

5.3.1 Sample Size

As mentioned before, current research is only preliminary research that examines the factors of individuals conducting frauds in working adult perspective. Hence, this research has several limitations. Firstly, due to the time constraints, we only recruited 250 respondents as the sample size for this research. It would be better to recruit more respondents as long as it stays within the range that is limited by Roscoe's guidelines, which is between 30 to 500.

5.3.2 Sampling Methodology

Secondly, convenience sampling was employed in this study due to time limitations. This sampling technique is only suitable for preliminary research such as this research. Hence, for further research, it will be ideal to use other sampling methods that are more suitable if more time and budget are allocated.

5.3.3 Language Barriers

It is important to make sure that the respondents fully understand the language used in the questionnaire. If not, this could lead to misunderstandings, misinterpretations, or incomplete responses, ultimately impacting the reliability and validity of the data collected. In this research, during the data collection process, we faced a situation where the participants chosen did not understand English. In this case, these participants were forced to end the answering session in order to avoid any unreliable response. However, this may result in a smaller and potentially biased sample size.

5.4 Recommendations for Future Research

5.4.1 Sampling Design

For future research, the researcher can collect a bigger sample size as long as it fulfills the standard of Roscoe. Besides that, the researcher can also choose another

more suitable sampling method for this kind of research, which recruits respondents with more diverse demographic characteristics.

5.4.2 Focused Industry and Geographic Analysis

The future research can also be more specific. For example, the research can examine the workers in one particular industry such as retail, banking, logistics industry, and so on. This will help the researcher to dive deeper into the factors causing the workers in the industry to conduct fraud. This kind of research will provide great insight for the organizations in the industry to prevent the happening of fraud more effectively. Moreover, future research can also focus on employees from urban, suburban, and rural areas to have a better understanding of the difference in risk factors leading to fraud.

5.4.3 Advanced Research Tools

With enough budget support, future research can also utilize more advanced analytical tools and techniques such as machine learning, network analysis, and so on, which helps to provide more efficient and more accurate analysis processes. Besides that, the future researcher can also try to collaborate with government departments and banks to conduct research that helps to contribute more to fraud detection and prevention as fraud cases pose a great challenge in the business environment nowadays.

5.4.4 Research in Consumer Behaviour

Researchers can also include the consumer behavior and decision-making process that related to fraud awareness, prevention, and response in future research (Théolier et al., 2020). Researching in this area could also help to explore factors that influence consumer perceptions of fraud risk, trust in financial institutions, and adoption of fraud prevention measures (Théolier et al., 2020). As one of the potential victims of fraud cases, consumers and their behaviors should also be studied by the government and the organization in order to introduce a more effective fraud prevention strategy.

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APPENDICES

Appendix A: Ethical Approval for Research Project

UNIVERSITI TUNKU ABDUL RAHMAN DU012(A)
Wholly owned by UTAR Education Foundation Co. No. 578227-M

Re: U/SERC/78-212/2024

13 January 2024

Dr Fitriya Binti Abdul Rahim
Head, Department of International Business
Faculty of Accountancy and Management
Universiti Tunku Abdul Rahman
Jalan Sungai Long
Bandar Sungai Long
43000 Kajang, Selangor

Dear Dr Fitriya,

Ethical Approval For Research Project/Protocol

We refer to your application for ethical approval for your students' research project from Bachelor of International Business (Honours) programme enrolled in course UKMZ3016. We are pleased to inform you that the application has been approved under <u>Expedited Review</u>.

The details of the research projects are as follows:

No.	Research Title	Student's Name	Supervisor's Name	Approval Validity
1.	The Motivation for Purchasing Souvenirs Among the Domestic Tourists	Wan Shiuan Ling	Ms Annie Yong Ing Ing	
2.	Factor Affecting Healthy Food Purchase Behaviours of Generation Z	Pe Kai Wen		
3.	Factors Affecting Customer Satisfaction Among Online Shoppers	Dion Teh Jee Wei		
4.	The Factors Influences on Customer Satisfaction and Loyalty in Business Performance	Tang Wei Ping		
5.	The Impact of Social Media Influencer on Youth Online Buying Behaviour in Klang Valley	Goh Pieh Ling	Ms Chin Wai Yin	
6.	A Study on E-commerce Factors that Influence Post-purchase Behaviour of Young Adults in Malaysia	Chan Chiew Kong	Dr Corrinne Lee Mei Jyin	13 January 2024 – 12 January 2025
7.	Factors and Barriers to Attaining Mental Health Services	Chan Pei Xin		
8.	Factors Influencing the Customer Intention in Adopting Autonomous Vehicles (AVs)	Chye Chi Ern		
9.	Applying the Fraud Triangle Theory to Examine Fraudulent Cases from the Perspective of Working Adults	Alex Lau Chin Yeh	Dr Eaw Hooi Cheng	
10.	Examining the Influential Factors of Financial Fraud on Social Media from the Perspective of University Students	Bryan Wee Xin Jie		
11.	Factors Affecting Financial Fraud Awareness Among University Students	Liew Yoon Ler		
12.	The Impact of ChatGPT on E-commerce: The Case of Platform-based Business	Lee Siu Ying	Pn Ezatul Emilia Binti Muhammad Arif	

Kampar Campus : Jalan Universiti, Bandar Barat, 31900 Kampar, Perak Darul Ridzuan, Malaysia
Tel: (605) 468 8888 Fax: (605) 466 1313
Sungai Long Campus : Jalan Sungai Long, Bandar Sungai Long, Cheras, 43000 Kajang, Selangor Darul Ehsan, Malaysia
Tel: (603) 9086 0288 Fax: (603) 9019 8868
Website: www.utar.edu.my

No.	Research Title	Student's Name	Supervisor's Name	Approval Validity
13.	Adoption Rate of Digital Channel among MSMEs Entrepreneurs. (A Comparison Between Social Commerce and E-Commerce Platforms)	Law Yung Khan	Pn Ezatul Emilia Binti Muhammad Arif	
14.	Factor Affecting Consumers Behavioral Intention to Share Digital Footprints on Social Media	Jenny Leong Siew Yee	Pn Farida Bhanu Binti Mohamed Yousoof	
15.	Factors Affecting the Unemployment Crisis Among Fresh Graduate in Malaysia	Lim Say Siang		
16.	The Buying Behaviour on Green Products - From A Consumer Perspective	Lim Xiao Xuan		
17.	Factor Affecting Consumer Brand Loyalty on Personal Care Product	Ooi Xin Yi	Dr Foo Meow Yee	
18.	Drivers of Employee Retention: A Case Study in Health and Beauty Industry	Tan Chi Ying		
19.	Factors of Remote Work Influencing Remote Work Productivity of Employees in Malaysia	Lee YanZheng	Ms Hooi Pik Hua @ Rae Hooi	
20.	Exploring University Students' Readiness for the Industrial Revolution 4.0: A Conceptualised Framework	Poh Joe Yee	Dr Jayamalathi a/p Jayabalan	
21.	The Role of Artificial Intelligence on the Overall Success of SMEs in the E-Commerce Sector	Low Wai Ying	Ms K Shamini a/p T Kandasamy	
22.	Understanding the Impact of Short Video Advertising on Youth Consumer Behavior	Celine Tia Hui Lin		
23.	Influence of Corporate Social Responsibility (CSR) on Consumer Purchase Intention	Yeo Ai Ping	En Khairul Anuar Bin Rusli	
24.	The Impact of Green Marketing of Food and Beverages on Consumers' Purchase Intention	Yong Xin En		
25.	Factors that Influence the Acceptance of QR Payment Among Customers in Malaysia	Lee Hai Wen		
26.	To Study the Influences of Compensation, Work Environment, Motivation on Employee Satisfaction Among Industrial Trainees	Sam Li Ixing	Dr Komathi a/p Munusamy	13 January 2024 – 12 January 2025
27.	The Influence of Celebrity Endorsements on Consumers' Purchase Intention Toward Sports Equipment	Chong Wei Ni		
28.	Investigating the factors of online payment technology in influencing consumer purchase behavior	Chua Jun Quan		
29.	The Impact of Utilizing ChatGPT in Higher Education	Lee Zi Wei		
30.	The Effectiveness of Duolingo's AI-Powered Language Learning Platform in Improving Second Language Acquisition Among Malaysia's Tertiary Students	Oh Fang Yan	Dr Law Kian Aun	
31.	The Effects of AI Tools on Undergraduates' Academic Writing Proficiency	Ng Shi Zhe		
32.	Consumer's Coping Strategies Toward Packaging Waste in Food Delivery Service	Tan Shin Rhu	Mr Lee Yoon Heng	
33.	Securing User Trust: A Study on Social Media Privacy, Information Protection, User Education, and Platform Reliability	Lim Jing	Ms Logeswary a/p Maheswaran	
34.	User Acceptance of Neobanks in Malaysia	Tang Sze Jun	Ms Loh Yin Xia	
35.	The Interplay of Digital Financial Literacy, Capability, Autonomy in the Financial Decision-making in Today's Digital Age	Wong Zheng Wah	Dr Low Mei Peng	
36.	Effects of In-store Factors Influencing Consumer Impulse Buying Behavior in Shopping Mall	Soh Xin Jie		
37.	Examining the Impact of Generation Z's Attitude Towards Counterfeit Footwear in Malaysia	Lim Su Kim	Dr Malathi Nair a/p G Narayana Nair	
38.	Young Adults' Intention to Use Mobile Payment in Malaysia	Alvin Chow Mun Sing		
39.	Consumer Motivation to Repurchase Organic Personal Care Products	Crystal Chow Weng Yann		

No.	Research Title	Student's Name	Supervisor's Name	Approval Validity
40.	The Impact of Worklife Balance on Employee Performance in Private Universities in Malaysia	Yeo Jing Wen	Dr Omar Hamdan Mohammad Alkharabsheh	
41.	Determinants of Student's Satisfaction on AI Usage in Education	Chang Charng Jie	Ms Puvaneswari a/p Veloo	
42.	How Artificial Intelligence (AI) is Transforming Tourism Industry	Boon Yi Jean	Pn Raja Nurul Aini Binti Raja Aziz	
43.	Factors Affecting the Consumption Pattern of Fast Fashion Products Among Generation Z	Evelyn Chow Sum Yee	Dr Sia Bee Chuan	
44.	Antecedents and Consequences of Beauty and Cosmetic Products Impulse Purchase on TikTok	Kong Chi Kei		13 January 2024 – 12 January 2025
45.	Examining the Antecedents of Perceived Enjoyment and Flow Experience in Impulsive Buying Behaviour: A Study from the Perspective of TikTok User	Tan Hong Qing	Dr Tang Kin Leong	
46.	Understanding the Determinants of Online Hotel Booking Intentions	Sharon Lian Sin Yee		
47.	A Study of Eco-Conscious Consumer Behavior on Green Products	Tan Sze Ting	Dr Tiong Kui Ming	
48.	Brand Loyalty Among Generation Z Towards Samsung Products in Malaysia	Chey Xin Hui		
49.	Factors Influencing the Adoption of Touch 'n Go eWallet Among Consumers in Malaysia	Lim Si Ting	Dr Yeong Wai Mun	

The conduct of this research is subject to the following:

(1) The participants' informed consent be obtained prior to the commencement of the research;

(2) Confidentiality of participants' personal data must be maintained; and

(3) Compliance with procedures set out in related policies of UTAR such as the UTAR Research Ethics and Code of Conduct, Code of Practice for Research Involving Humans and other related policies/guidelines.

(4) Written consent be obtained from the institution(s)/company(ies) in which the physical or/and online survey will be carried out, prior to the commencement of the research.

Should the students collect personal data of participants in their studies, please have the participants sign the attached Personal Data Protection Statement for records.

Thank you.

Yours sincerely,

Professor Ts Dr Faidz bin Abd Rahman
Chairman
UTAR Scientific and Ethical Review Committee

c.c   Dean, Faculty of Accountancy and Management
       Director, Institute of Postgraduate Studies and Research

<u>Appendix B: Survey Questionnaire</u>

Dear respondent,

Hello, I am Alex Lau Chin Yeh, an undergraduate student pursuing bachelor degree in the International Business programme (HONS) (IN) at Universiti Tunku Abdul Rahman (UTAR). Currently, I am conducting a study on "Applying the Fraud Triangle Theory to Examine Fraudulent Cases from the Perspective of Working Adults." for my final year project. The objective of this research is to investigate the factors which influenced the fraud cases in working adult's perspective.

This questionnaire consists of two sections and will take approximately 5 to 10 minutes to complete. Please be informed that this survey is strictly for academic purposes and all the information collected will be kept **PRIVATE AND CONFIDENTIAL**. Your participation will be highly appreciated.

Thank you for your time and effort in completing this survey questionnaire.

Yours faithfully,
Alex Lau Chin Yeh
2102762
Bachelor of International Business (Hons)

PERSONAL DATA PROTECTION NOTICE

Please be informed that in accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.

1. Personal data refers to any information which may directly or indirectly identify a person which could include sensitive personal data and expression of opinion. Among others it includes:

a) Name

b) Identity card

c) Place of Birth

d) Address

e) Education History

f) Employment History

g) Medical History

h) Blood type

i) Race

j) Religion

k) Photo

l) Personal Information and Associated Research Data

2. The purposes for which your personal data may be used are inclusive but not limited to:

a) For assessment of any application to UTAR

b) For processing any benefits and services

c) For communication purposes

d) For advertorial and news

e) For general administration and record purposes

f) For enhancing the value of education

g) For educational and related purposes consequential to UTAR

h) For replying any responds to complaints and enquiries

i) For the purpose of our corporate governance

j) For the purposes of conducting research/ collaboration

3. Your personal data may be transferred and/or disclosed to third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

4. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

5. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

Consent:

6. By submitting or providing your personal data to UTAR, you had consented and agreed for your personal data to be used in accordance to the terms and conditions in the Notice and our relevant policy.

7. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

8. You may access and update your personal data by writing to us at

Acknowledgment of Notice

[   ] I have been notified and that I hereby understood, consented and agreed per UTAR above notice.

[   ] I disagree, my personal data will not be processed

…………………………

Name:

Date:

<u>Section A: Demographic Questions</u>

Please choose only ONE relevant answer for the question below.

1)What is your age?

• 20years old and below

• 21 to 30 years old

• 31 to 40 years old

• 41 to 50 years old

• 51 years old and above

2)What is your gender?

• Male

• Female

3)What is your education qualification?

• Secondary School

• Foundation/Diploma

• Bachelor of Degree

• Master

• PHD

4) What is your employment status?

• Full-time

•   Part-time

•   Seeking employment

•   Retired

5)What is your monthly income?

•   RM1000 and below

•   RM1001 to RM 2000

•   RM2001 to RM 3000

•   RM3001 to RM 4000

•   RM4001 to RM 5000

•   RM 5001 and above

6)What is your marital status?

•   Single

•   Married

•   Prefer not to answer

Section B: Independent and Dependent Variable's Questions

In this section, there will be FIVE compulsory questions for each variable. Please select (CIRCLE) the appropriate answer for each of the questions. Please read the following items carefully and choose only ONE response which the most you agree with.

Strongly Disagree(SD)=1, Disagree(D) =2, Neither Agree nor Disagree(N)=3, Agree(A)=4, Strongly Agree(SA)=5

Pressure

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Individuals conduct fraud as work pressure is high.	1	2	3	4	5
Individuals conduct fraud as family expenses are extremely costly, which they cannot afford to pay in some cases.	1	2	3	4	5
Individuals conduct fraud as they faced with tension and depression because of the constant pressure at work.	1	2	3	4	5
Individuals conduct fraud as expenses on necessities need to be cut off to ensure that their salary will be sufficient until the end of the month.	1	2	3	4	5

Individuals conduct fraud as their work needs them to achieve KPI given by the company.	1	2	3	4	5

Opportunity

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Separation of roles and responsibilities is clear.	1	2	3	4	5
Every transaction done has sufficient documentation and approval.	1	2	3	4	5
Transactions are being recorded in the correct accounting period.	1	2	3	4	5
Transactions are being entered in a timely manner.	1	2	3	4	5
Proper supervision, monitoring, and review of work are implemented.	1	2	3	4	5

Rationalization

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Individuals conduct fraud as they think no one will suffer if they use the office facilities for personal purposes.	1	2	3	4	5
Individuals conduct fraud as they believe they must save a family member or loved one who is in need of financial aid.	1	2	3	4	5
Individual conduct fraud as they think they are underpaid with the amount of responsibility given to them.	1	2	3	4	5
Individuals conduct fraud as they think they are only borrowing the asset of the office and they will return it back when they are done.	1	2	3	4	5
Individuals conduct fraud as they believe they are in a desperate financial situation.	1	2	3	4	5

Fraud cases in working adult perspectives

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Fraud is a common occurrence in Malaysia.	1	2	3	4	5
Certain types of fraud are acceptable in Malaysia.	1	2	3	4	5
Certain types of fraud are encouraged at Malaysia.	1	2	3	4	5
Some fraud is acceptable if it achieves a greater purpose.	1	2	3	4	5
Government tries to prevent fraud.	1	2	3	4	5

Appendix C: SPSS Data Analysis Output

i)   Reliability Test

a) Pressure

Reliability Statistics

Cronbach's Alpha	N of Items
.785	5

b) Opportunity

Reliability Statistics

Cronbach's Alpha	N of Items
.792	5

c) Rationalization

Reliability Statistics

Cronbach's Alpha	N of Items
.775	5

d) Fraud Cases in Working Adult Perspectives (FC)

Reliability Statistics

Cronbach's Alpha	N of Items
.752	3

ii)   Descrptive Analysis

a) Demographic Questions

Frequency Table

1)What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20years old and below	1	.4	.4	.4
	21 to 30 years old	52	20.8	20.8	21.2
	31 to 40 years old	86	34.4	34.4	55.6
	41 to 50 years old	104	41.6	41.6	97.2
	51 years old and above	7	2.8	2.8	100.0
	Total	250	100.0	100.0	

2)What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	104	41.6	41.6	41.6
	Male	146	58.4	58.4	100.0
	Total	250	100.0	100.0	

3)What is your education qualification?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor of Degree	104	41.6	41.6	41.6
	Foundation/Diploma	7	2.8	2.8	44.4
	Master	87	34.8	34.8	79.2
	PHD	31	12.4	12.4	91.6
	Secondary School	21	8.4	8.4	100.0
	Total	250	100.0	100.0	

4) What is your employment status?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	238	95.2	95.2	95.2
	Part-time	6	2.4	2.4	97.6
	Seeking employment	6	2.4	2.4	100.0
	Total	250	100.0	100.0	

5)What is your monthly income?

		Frequency	Percent	Valid Percer	Double-click to activate
Valid	RM 5001 and above	75	30.0	30.0	30.0
	RM1000 and below	7	2.8	2.8	32.8
	RM1001 to RM 2000	2	.8	.8	33.6
	RM2001 to RM 3000	14	5.6	5.6	39.2
	RM3001 to RM 4000	47	18.8	18.8	58.0
	RM4001 to RM 5000	105	42.0	42.0	100.0
	Total	250	100.0	100.0	

6)What is your marital status?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	105	42.0	42.0	42.0
	Prefer not to answer	9	3.6	3.6	45.6
	Single	136	54.4	54.4	100.0
	Total	250	100.0	100.0	

b) IV (Pressure, Opportunity, and Rationalization) and DV (Fraud Cases in Working Adult Perspectives (FC)) Questions

Statistics

		Pressure	Opportunity	Rationalization	FC
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		3.8032	3.6128	3.8712	3.7560
Median		4.0000	4.0000	4.0000	4.0000
Std. Deviation		.72077	.82656	.68832	.89797
Minimum		1.00	1.00	1.00	1.00
Maximum		4.80	5.00	4.80	5.00

iii)   Multiple Regression Analysis

a) Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.758[a]	.575	.570	.58880	1.528

a. Predictors: (Constant), Rationalization, Opportunity, Pressure

b. Dependent Variable: FC

b) ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.499	3	38.500	111.052	<.001[b]
	Residual	85.284	246	.347		
	Total	200.783	249			

a. Dependent Variable: FC

b. Predictors: (Constant), Rationalization, Opportunity, Pressure

c) Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.187	.222		-.844	.400		
	Pressure	.491	.093	.394	5.297	<.001	.311	3.213
	Opportunity	.111	.057	.102	1.937	.054	.622	1.609
	Rationalization	.432	.095	.331	4.562	<.001	.327	3.055

a. Dependent Variable: FC

iv)   **Pearson Correlation Coefficient**

a) **Pressure**

Correlations

Correlations

		Pressure	FC
Pressure	Pearson Correlation	1	.725**
	Sig. (2-tailed)		<.001
	N	250	250
FC	Pearson Correlation	.725**	1
	Sig. (2-tailed)	<.001	
	N	250	250

**. Correlation is significant at the 0.01 level (2-tailed).

b) **Opportunity**

Correlations

Correlations

		Opportunity	FC
Opportunity	Pearson Correlation	1	.527**
	Sig. (2-tailed)		<.001
	N	250	250
FC	Pearson Correlation	.527**	1
	Sig. (2-tailed)	<.001	
	N	250	250

**. Correlation is significant at the 0.01 level (2-tailed).

c) Rationalization

Correlations

Correlations

		Rationalization	FC
Rationalization	Pearson Correlation	1	.710**
	Sig. (2-tailed)		<.001
	N	250	250
FC	Pearson Correlation	.710**	1
	Sig. (2-tailed)	<.001	
	N	250	250

**. Correlation is significant at the 0.01 level (2-tailed).