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Internal Control Effectiveness, Compensation Suitability, Information Asymmetry, and Management Morality impact to Unethical Behavior on Accounting Fraud

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Abstract: *Accounting fraud can undermine organizational accountability, making organizational controls and ethical factors important to examine together. This study examined the relationship of internal control effectiveness, compensation suitability, information asymmetry, and management morality with a combined construct of unethical behavior and accounting fraud tendency. A quantitative, non-experimental survey design was used. The target population consists of workers aged 18 to 60 living in Indonesia; 110 respondents were recruited through convenience and snowball sampling. Data were collected using a closed-ended five-point Likert questionnaire via Google Forms and analyzed with descriptive statistics and Partial Least Squares Structural Equation Modeling. Results showed that internal control effectiveness, compensation suitability, and management morality had significant negative relationships with the dependent construct. Information asymmetry was positively but not significantly related. Findings underscore the relevance of effective internal controls, appropriate compensation, and managerial integrity. Future research should measure unethical behavior and accounting fraud tendencies separately and use a larger, more representative sample.*

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Introduction

Accounting fraud remains a significant challenge to transparent and accountable organizational governance. It can cause financial losses, reduce the reliability of financial reports, undermine stakeholder trust, and impair decision-making. The Association of Certified Fraud Examiners (ACFE, 2024) estimates that organizations lose approximately 5% of their revenue annually due to fraud and identifies the absence or neglect of internal controls as weaknesses associated with fraud. These findings indicate that understanding accounting fraud requires consideration of both organizational mechanisms and individual ethical factors. Previous studies have linked internal control effectiveness, information asymmetry, compensation suitability, and morality to accounting fraud and unethical behavior (Adinugroho & Susilowati, 2022; Sulistyawati et al., 2023).

In Indonesia, accounting fraud remains a concern across different organizational settings. An investigative audit by the Audit Board of the Republic of Indonesia identified indications of state losses amounting to Rp371,834,530,652 in the financial management of PT Indofarma Tbk. and its subsidiaries for the 2020–2023 period (BPK RI, 2024). Empirical studies have also identified relationships between organizational controls and individual behavior and accounting fraud tendencies. Lestari et al. (2024), for example, found that unethical behavior and information asymmetry were positively associated with accounting fraud tendencies in Village Credit Institutions in Mengwi District. Ananda and Pramuki (2024) reported a negative relationship between internal control and accounting fraud, alongside a positive relationship between unethical behavior and accounting fraud in multipurpose cooperatives in Gianyar District. These findings suggest that accounting fraud should be examined in relation to organizational control systems, information conditions, compensation policies, and ethical considerations.

However, previous findings concerning these factors have not been entirely consistent. Adinugroho and Susilowati (2022) found that internal control effectiveness and individual morality were negatively associated with accounting fraud, while information asymmetry had a positive relationship. Deasri and Utama (2022) reported a negative relationship between compensation suitability and accounting fraud tendencies in savings and loan cooperatives, whereas Pattiasina et al. (2022) found no significant relationship between compensation suitability and accounting fraud tendencies in the Jayapura Regency Government. Findings on morality also differ in terms of its direct relationship with fraud and its relationship through unethical behavior. Adinugroho and Susilowati (2022) identified a negative relationship between individual morality and accounting fraud, while Sulistyawati et al. (2023) reported that individual morality was related to fraud tendencies indirectly through unethical behavior rather than directly. These differences indicate the need for further empirical examination of how organizational and individual factors relate to accounting fraud-related behavior across different research settings.

A further issue concerns the way unethical behavior and accounting fraud tendencies have been positioned in previous research. Some studies have examined unethical behavior as a factor associated with accounting fraud, while others have treated it as an intervening variable

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(Ananda & Pramuki, 2024; Prakoso et al., 2023; Sulistyawati et al., 2023). In addition, many previous studies have focused on specific organizational contexts, including cooperatives, Village Credit Institutions, and local government institutions (Adinugroho & Susilowati, 2022; Lestari et al., 2024; Pattiasina et al., 2022). These differences provide a basis for examining the relationships between internal control effectiveness, compensation suitability, information asymmetry, and management morality and a combined construct of unethical behavior and accounting fraud tendencies among respondents from different organizational settings. In this study, unethical behavior and accounting fraud tendencies are operationalized as one dependent construct (Y1), rather than as two separate outcomes. Accordingly, the analysis does not estimate or compare the relationships between the predictors and each outcome individually.

Based on this research gap, this study aims to examine the relationships of internal control effectiveness, compensation suitability, information asymmetry, and management morality with the combined construct of unethical behavior and accounting fraud tendencies among workers in Indonesia. Using survey data from respondents across organizational settings, the study tests these relationships through Partial Least Squares Structural Equation Modeling (PLS-SEM). Its contribution is to provide additional empirical evidence on the relationships between organizational and individual factors and the combined construct in a cross-organizational sample, while offering practical considerations for reviewing internal controls, compensation policies, information transparency, and ethical practices. The findings are interpreted in light of the study's sampling approach and the use of a combined dependent construct.

Methods

This study employed a quantitative approach with an explanatory survey design. The quantitative approach was chosen because the study aimed to measure respondents' perceptions in a structured manner and examine the relationships between research variables based on numerical data. According to Sugiyono (2022) and Sudaryono (2021), quantitative research allows for the examination of relationships between variables through systematic measurement and statistical analysis. Emzir (2017) also explained the methodological basis of a quantitative approach in research that uses measurable data to answer research questions. In the context of this study, this approach was used to analyze the influence of internal control effectiveness, compensation appropriateness, information asymmetry, and management morality on the constructs of unethical behavior and accounting fraud tendencies. This approach is relevant to previous studies that examine organizational and individual factors in explaining fraud tendencies through empirical analysis, such as Adinugroho and Susilowati (2022), Pattiasina et al. (2022), and Sulistyawati et al. (2023). Testing the relationship between these constructs was then carried out using Partial Least Squares Structural Equation Modeling (PLS-SEM), which can be used to analyze structural models with several latent constructs and evaluate the model's predictive ability (Dash & Paul, 2021; Hair & Alamer, 2022).

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The target population in this study was workers domiciled in Indonesia and aged 18 to 60 years. The respondents were individuals working in organizations and were expected to have an understanding of the work environment, internal control, information management, compensation, and ethical behavior within the organization. The selection of respondents was in line with the focus of previous research involving individuals within organizations to examine factors related to accounting fraud, including Adinugroho and Susilowati (2022), Ananda and Pramuki (2024), and Lestari et al. (2024). The sampling technique used was non-probability sampling with a combination of convenience sampling and snowball sampling. In the initial stage, respondents were reached based on ease of access and willingness to participate. Then, questionnaire distribution was expanded through recommendations or assistance from initial respondents to other potential respondents who met the research characteristics. This technique was used because the study did not have a complete sampling frame that would allow for random selection of respondents. Based on the research documents, the number of samples collected was 110 respondents. The use of this technique needs to be considered in interpreting the results because the sample was not selected probabilistically, so generalizing the findings to all workers in Indonesia needs to be done carefully (Sugiyono, 2022; Sudaryono, 2021).

The research instrument was a closed-ended questionnaire used to obtain primary data through Google Forms. The questionnaire consisted of two parts: questions regarding respondent characteristics and statements to measure research variables. The respondent characteristics section included gender, age, highest education, domicile, company type, type of business, length of service, and experience as an office employee. The variable measurement section consisted of five construct groups: internal control effectiveness (X1), compensation suitability (X2), information asymmetry (X3), management morality (X4), and unethical behavior and accounting fraud tendencies (Y1). The initial instrument consisted of 50 statements using a five-level Likert scale, ranging from 1 for strongly disagree to 5 for strongly agree. The development of indicators was based on the development of research instruments and previous empirical studies on internal control, compensation, information asymmetry, morality, and unethical behavior (Adinugroho & Susilowati, 2022; Deasri & Utama, 2022; Sulistyawati et al., 2023). Instrument feasibility was evaluated through measurement model testing using outer loading values, Average Variance Extracted (AVE), Cronbach's alpha, and composite reliability. The criteria used in the research document include an outer loading value of approximately 0.70 or higher, an AVE above 0.50, and a reliability coefficient above 0.70. This testing is necessary to evaluate the construct's convergent validity and internal consistency before analyzing structural relationships (Hair & Alamer, 2022; Subhaktiyasa, 2024; Yarsasi et al., 2025).

The research procedure was carried out sequentially, starting with a literature review, indicator development, questionnaire development, data collection, and data processing and analysis. In the preparation stage, the researcher reviewed theories and previous research related to accounting fraud, unethical behavior, internal control, compensation appropriateness, information asymmetry, and management morality. The results of this review were used as the basis for developing questions and grouping indicators for each construct. The next stage was

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the online distribution of questionnaires via Google Forms to potential respondents who matched the research characteristics. Data collection was conducted from May to September 2026 using a direct distribution approach to accessible respondents, then expanded through recommendations from initial respondents. After data collection was completed, the data were prepared for analysis by considering the completeness of the answers, the suitability of the respondents' characteristics, and coding the scores based on the Likert scale used. These stages follow the principles of survey research, which emphasize the relationship between problem formulation, instrument development, data collection, and empirical testing (Sugiyono, 2022; Sudaryono, 2021). The use of questionnaires as a primary data source has also been found in previous studies of accounting fraud, including Ananda and Pramuki (2024), Lestari et al. (2024), and Prakoso et al. (2023).

Data analysis techniques were conducted using descriptive statistics and PLS-SEM with the help of SmartPLS 4 software. Descriptive statistical analysis was used to describe the characteristics of respondents and the distribution of answers for each research indicator. Next, an outer model evaluation was conducted to assess the quality of indicators in representing latent constructs through outer loading and AVE values, while construct reliability was evaluated using Cronbach's alpha and composite reliability. After the measurement model was evaluated, the analysis continued with inner model testing to assess the relationship between constructs. The evaluation of the structural model included path coefficients, coefficients of determination (R2), and effect sizes (f2). Hypothesis testing was conducted through a bootstrapping procedure by paying attention to the t-statistical value and p-value. Based on the criteria stated in the research document, the effect was declared significant if the statistical value (t) was greater than 1.96 or the p-value was less than 0.05. The use of PLS-SEM is relevant for testing models involving multiple latent constructs, but selection should still be based on model characteristics, analysis objectives, and data quality, not solely on sample size (Dash & Paul, 2021; Hair & Alamer, 2022). In its implementation, the software used is SmartPLS 4, as recommended for transparent inclusion in research publications (Ringle et al., 2024). The validity and reliability evaluation stages are also in line with methodological discussions regarding testing the quality of quantitative instruments using PLS-SEM (Subhaktiyasa, 2024; Yarsasi et al., 2025).

Ethical considerations are crucial to the process of collecting and managing research data. Based on information in source documents, respondents understand that their data will be processed for research purposes. Survey research implementation also requires attention to the communication of research objectives, respondents' willingness to participate, and responsible data management to ensure a transparent research process (Sugiyono, 2022; Sudaryono, 2021). In preparing reports, researchers need to explain the respondent consent mechanism, protect data confidentiality, and limit the use of information to the purposes communicated to participants. However, available documents do not detail the procedures for participant consent, institutional permission, or ethics committee approval. Therefore, information regarding formal

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informed consent or ethical clearance cannot be considered to have been obtained until confirmed by actual research documentation. Transparency in reporting ethical aspects is necessary to enable readers to accurately assess research implementation and distinguish between actual procedures and those recommended for manuscript refinement (Emzir, 2017; Sugiyono, 2022).

Research Result

Respondent Characteristics

This study involved 110 respondents aged 18 to 60 years old who resided in Indonesia and worked in both the private and government sectors. Data were collected through an online questionnaire using Google Forms. Respondent characteristics were grouped by gender, age, business sector, and organizational sector. The distribution of respondents showed that most were male, aged 18 to 30 years old, working in the service sector, and from private companies. Details of the respondent distribution are presented in Table 1.

Table 1. Characteristics of Research Respondents

Characteristics	Category	Number of people)	Percentage (%)
Gender	Man	81	73.64
	Woman	29	26.36
Age	18–30 years	75	68.18
	31–40 years	30	27.27
	41–50 years	4	3.64
	51–60 years	1	0.91
Business fields	Service	56	50.91
	Trade	38	34.55
	Manufacturing	16	14.55
Organizational sector	Private	89	80.91
	Government	21	19.09
Total respondents		110	100.00

Source: Reprocessed research questionnaire data. Percentages are calculated based on the number of respondents in each category.

As shown in Table 1, 81 male respondents (73.64%) were male, while 29 female respondents (26.36%) were female. Based on age, the 18 to 30 age group was the largest with 75 respondents (68.18%), followed by the 31 to 40 age group with 30 respondents (27.27%). Four respondents aged 41 to 50 were in the sample, while one respondent was in the 51 to 60 age group. Based on business sector, the service sector dominated with 56 respondents, followed by the trade sector with 38 respondents and the manufacturing sector with 16 respondents. Meanwhile, 89 respondents worked in private organizations and 21 respondents worked in government organizations. Thus, the sample composition is more representative of young workers and private sector employees.

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Measurement Model Evaluation Results

Measurement model evaluation was conducted to determine convergent validity and construct reliability before testing structural relationships. Convergent validity was evaluated using the Average Variance Extracted (AVE) value, while reliability was assessed using Cronbach's alpha and composite reliability. The results of the measurement model testing listed in the research document are presented in Table 2.

Table 2. Results of Convergent Validity and Construct Reliability Evaluation

Construct	AVE	Cronbach's alpha	Composite reliability (\(\rho_c\))
Effectiveness of internal control (X1)	0.635	0.936	0.945
Compensation suitability (X2)	0.588	0.922	0.934
Information asymmetry (X3)	0.624	0.939	0.943
Management morality (X4)	0.655	0.942	0.950
Unethical behavior and accounting fraud tendencies (Y1)	0.678	0.947	0.954

Source: SmartPLS 4 output in research document (2026).

The results in Table 2 show that all constructs have AVE values above 0.50. The lowest AVE value is found for compensation suitability at 0.588, while the highest values are found for unethical behavior and accounting fraud tendencies at 0.678. All constructs also have Cronbach's alpha values above 0.90 and composite reliability above 0.90. These values meet the minimum threshold used in evaluating convergent validity and internal consistency. Thus, based on the reported AVE and reliability indicators, all five constructs meet the measurement criteria used in this study.

Descriptive Statistics of Research Variables

Descriptive statistics were used to describe the distribution of respondents' responses to the research indicators. Measurements included the mean, median, minimum, maximum, and standard deviation. All indicators had a minimum value of 1 and a maximum of 5, according to the Likert scale used. The average value for all indicators ranged from 2.418 to 3.145, with variations in responses reflected in the standard deviation.

At the construct level, the research document reports that management morality has the highest average of 2.905, while information asymmetry has the lowest average of 2.668. In more detail, the average value of the internal control effectiveness indicator ranges from 2.600 to 2.936. In the compensation suitability variable, the range is 2.636 to 3.127, while for information asymmetry it is in the range of 2.445 to 2.891. Management morality has an average indicator range of 2.745 to 3.145, while the construct of unethical behavior and accounting fraud tendency has a range of 2.418 to 3.082. In general, the distribution shows that the average value of the indicators is mostly around the neutral score or below.

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Structural Model and Hypothesis Testing Results

A structural model evaluation was conducted to examine the influence of internal control effectiveness, compensation appropriateness, information asymmetry, and management morality on the constructs of unethical behavior and accounting fraud tendencies. The testing was conducted using path coefficient analysis through the bootstrapping procedure in SmartPLS 4. Hypothesis testing decisions were based on the direction of the path coefficient, the t-statistic value, and the p-value with a 5% significance level. The test results are presented in Table 3.

Table 3. Results of Path Coefficient and Hypothesis Testing

Relationship between variables	Path coefficient	Statistics \(t\)	Value of \(p\)	Decision
X1 → Y1	−0.248	3,255	0.001	Significant, negative
X2 → Y1	−0.263	3,233	0.001	Significant, negative
X3 → Y1	0.185	1,292	0.196	Not significant
X4 → Y1	−0.286	4,209	< 0.001	Significant, negative

Source: SmartPLS 4 output in research document (2026).

Description: X1 = effectiveness of internal control; X2 = appropriateness of compensation; X3 = information asymmetry; X4 = management morality; Y1 = unethical behavior and tendency towards accounting fraud.

The test results in Table 3 show that internal control effectiveness has a path coefficient of -0.248 with a t statistic of 3.255 and a p value of 0.001. Compensation suitability produces a coefficient of -0.263, a t statistic of 3.233, and a p value of 0.001. Both relationships show a negative direction and are significant. Information asymmetry has a positive path coefficient of 0.185, but a t statistic of 1.292 and a p value of 0.196 indicate that the relationship is not significant. Meanwhile, management morality has a path coefficient of -0.286, with a t statistic of 4.209 and a p value less than 0.001. Among the significant coefficients, management morality has the largest absolute value of the path coefficient. Thus, three of the four relationships tested show a significant influence, while the influence of information asymmetry has not yet received statistical support.

Coefficient of Determination and Effect Size

The model's ability to explain variation in the dependent construct was evaluated through the coefficient of determination (R2) and adjusted (R2). The test results in the document show that the (R2) value is 0.309 and the adjusted (R2) value is 0.282. This means that the four independent variables in the model explain 30.9% of the variation in the dependent construct based on the (R2) value, while the value adjusted for the number of predictors is 28.2%.

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Table 4. Results of the Determination Coefficient and Effect Size

Size	Effectiveness of internal control (X1)	Compensation suitability (X2)	Information asymmetry (X3)	Management morality (X4)
*R2*construct Y1	0.309			
Adjusted R2 construct Y1	0.282			
f2 effect size	0.078	0.093	0.047	0.109

Source: SmartPLS 4 output in research document (2026).

The f2 effect size values listed in the table indicate that the largest relative contribution to the model comes from management morality at 0.109, followed by compensation appropriateness at 0.093, internal control effectiveness at 0.078, and information asymmetry at 0.047. Based on the effect size classification used in the document, all of these values are in the small category. This finding indicates that although the three predictors have a significant relationship with the dependent construct, the magnitude of each variable's contribution to the model's explanatory power remains limited.

Discussion

Interpretation of Key Research Findings

The test results indicate that internal control effectiveness, compensation appropriateness, and management morality have a negative and significant relationship with the constructs of unethical behavior and accounting fraud risk. Conversely, information asymmetry indicates a positive relationship, but it is not statistically significant. Management morality produces the path coefficient with the largest absolute value among the four predictors, while the model's explanatory power based on adjusted R2 reaches 28.2%. This pattern indicates that organizational control factors and individual characteristics do not have a uniform relationship strength with the dependent construct. These findings provide additional empirical evidence for research on organizational and individual factors related to accounting fraud risk (Adinugroho & Susilowati, 2022; Sulistyawati et al., 2023). However, these results should be interpreted based on the sample characteristics and operationalization of the variables used, not as evidence that all of these relationships apply universally.

The Influence of Internal Control Effectiveness

Internal control effectiveness has a path coefficient of -0.248 with a p-value of 0.001, indicating a significant and negative relationship with the dependent construct. This finding suggests that perceptions of more effective internal control are associated with lower levels of

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unethical behavior and a lower likelihood of accounting fraud. In the context of organizational management, transaction authorization systems, segregation of duties, monitoring, and the implementation of clear procedures are relevant dimensions to assess in relation to irregularities. These results are consistent with Adinugroho and Susilowati (2022), who found a significant negative effect of internal control effectiveness on accounting fraud, and Ananda and Pramuki (2024), who found similar results in a multi-purpose cooperative in Gianyar District. Research by Pattiasina et al. (2022) on the Jayapura Regency Government also showed that internal control effectiveness negatively affected the likelihood of accounting fraud.

From the perspective of the Fraud Triangle Theory, this negative relationship aligns with the notion that opportunity is one of the conditions associated with fraud. Effective controls can limit the freedom to commit irregularities and increase the likelihood of detection of procedural violations. However, this study measured respondents' perceptions through a questionnaire, so the results show a statistical relationship based on respondents' assessments, not a direct measurement of the number of fraud incidents prevented. Furthermore, previous research has shown that the relationship between internal control and fraud can vary across research subjects. Therefore, these results strengthen the relevance of internal control as a factor related to fraud prevention, but the effectiveness of its implementation still needs to be assessed based on organizational characteristics (Ananda & Pramuki, 2024; Pattiasina et al., 2022).

The Impact of Compensation Suitability

Compensation suitability has a path coefficient of -0.263 with a p-value of 0.001. These results indicate a negative and significant relationship with unethical behavior and the propensity for accounting fraud. Substantively, the more positive an individual's assessment of the suitability of compensation to their job and responsibilities, the lower the propensity for fraud related to the dependent construct in the research model. This finding aligns with the research of Deasri and Utama (2022), who reported that compensation suitability negatively affected the propensity for accounting fraud in savings and loan cooperatives in Gianyar Regency. However, these results are not entirely consistent with Pattiasina et al. (2022), who found no significant effect of compensation suitability in the context of the Jayapura Regency Government. This difference suggests that the strength of the relationship between compensation and fraud propensity can vary depending on the organizational context and respondent characteristics.

The negative relationship in this study can be explained through the concept of pressure in the Fraud Triangle Theory. The perception that rewards are commensurate with contributions and responsibilities can be associated with reduced dissatisfaction with the reward system. Conversely, compensation mismatch has the potential to be one of the conditions accompanying pressure or rationalization of deviant behavior. However, the results of this study do not prove that compensation is the sole mechanism determining ethical behavior. The magnitude of the compensation congruence path coefficient is also still below the management morality coefficient in absolute value. Thus, the results support the importance of perceived fair compensation policies, while also indicating that other factors related to integrity and governance also need to be considered (Deasri & Utama, 2022; Adinugroho & Susilowati,

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2022).

The Influence of Information Asymmetry

Unlike the other three predictors, information asymmetry yielded a positive path coefficient of 0.185 with a p-value of 0.196. Because this value is greater than the significance limit of 0.05, the hypothesis regarding the effect of information asymmetry is not supported by the test results. This means that the research data does not provide sufficient statistical evidence that increased information asymmetry is related to changes in the constructs of unethical behavior and the tendency of accounting fraud in the tested model. This finding differs from Adinugroho and Susilowati (2022), who found a significant positive effect of information asymmetry on accounting fraud, and Lestari et al. (2024), who reported a significant positive effect of information asymmetry on the tendency of accounting fraud in LPDs throughout Mengwi District. Sulistyawati et al. (2023) also found a significant relationship between information asymmetry and unethical behavior.

The insignificant relationship in this study does not necessarily imply that information asymmetry is irrelevant across organizational contexts. One possibility that needs to be considered is the characteristics of the sample, as 80.91% of respondents came from the private sector, while some of the instrument statements in the document were in the context of government organizations or cooperatives. Differences in context in the wording of the indicators may influence the suitability of the statements to respondents' experiences. Furthermore, the variation in responses to the information asymmetry indicator suggests that perceptions of information inequality are not uniform among respondents. These two factors are possible explanations that require further testing, not causal ones proven by this study. Therefore, further research could consider adjusting the instrument based on organizational sector and testing it on a more homogeneous group of respondents to better understand the relationship between information asymmetry and information asymmetry (Lestari et al., 2024; Sulistyawati et al., 2023).

The Influence of Management Morality

Management morality showed a path coefficient of -0.286 with a p-value <0.001. These results provide statistical support for the negative relationship between management morality and unethical behavior and the propensity for accounting fraud. Among the four predictors tested, management morality had the largest absolute value of the path coefficient. These findings align with research by Pattiasina et al. (2022), who found a negative influence of management morality on the propensity for accounting fraud, and by Adinugroho and Susilowati (2022), who reported a significant negative influence of individual morality on accounting fraud. Sulistyawati et al. (2023) also found that individual morality was significantly related to unethical behavior. Thus, these results reinforce previous findings regarding the relevance of moral aspects in understanding the propensity for deviance in organizational environments.

Within the Fraud Triangle Theory framework, management morality can be linked to the

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process of ethical judgment and rationalization of actions. Individuals with strong moral judgments are conceptually expected to be better able to recognize ethical conflicts and reject justifications for actions that violate organizational rules. In this study, the largest path coefficient value for management morality indicates that this variable has the strongest relative relationship among the tested predictors. However, the f2 effect size of management morality, at 0.109, is still in the small category based on the classification used in the research document. Therefore, these results should not be interpreted as evidence that morality alone determines individual behavior. Instead, the results suggest that management morality should be considered alongside control mechanisms and organizational policies in explaining the risk of unethical behavior and fraudulent tendencies (Pattiasina et al., 2022; Sulistyawati et al., 2023).

Model Explanatory Power, Implications, and Limitations

The R2 value of 0.309 and the adjusted R2 of 0.282 indicate that the model's explanatory power is limited. The four independent variables collectively explain 30.9% of the variation in the dependent construct based on the R2 value, while the remaining 69.1% is attributed to other factors not included in the model. Based on the adjusted R2 value, the proportion of explained variation after adjusting for the number of predictors is 28.2%. Evaluation of the model's explanatory power and effect size should be considered alongside the results of path coefficient testing to ensure that conclusions are not based solely on statistical significance (Hair & Alamer, 2022; Dash & Paul, 2021).

Theoretically, this study provides additional evidence that factors related to organizational control and moral judgment have distinct relationships with the dependent construct, while the relationship with information asymmetry has not been proven significant in the sample studied. Practically, the results can be used by organizations to review the implementation of internal controls, clarify authorization and oversight procedures, evaluate compensation fairness, and strengthen ethics and integrity in decision-making. However, interpretation of the findings must take into account the limitations of the non-probability survey design with 110 respondents, the predominance of private sector workers and young age groups, and the use of a questionnaire based on respondents' perceptions. Furthermore, the dependent construct in the document combines unethical behavior and accounting fraud propensity into a single variable, Y1. This combination limits the study's ability to determine whether independent factors have distinct relationships with unethical behavior and accounting fraud propensity as two separate constructs. Future research is recommended to use measures that differentiate these two constructs and expand the sample representation to provide more detailed model testing results that can be compared with previous research (Ananda & Pramuki, 2024; Lestari et al., 2024; Hair & Alamer, 2022).

Conclusion

This study examined the relationships of internal control effectiveness, compensation suitability, information asymmetry, and management morality with the combined construct of unethical behavior and accounting fraud tendencies. The results show that internal control effectiveness ((\beta = -0.248), (p = 0.001)), compensation suitability ((\beta = -0.263), (p =

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0.001)), and management morality ((\beta = -0.286), (p < 0.001)) have significant negative relationships with the dependent construct. Information asymmetry has a positive but statistically insignificant relationship ((\beta = 0.185), (p = 0.196)). The model reports an (R^2) of 0.309 and an adjusted (R^2) of 0.282, indicating limited explanatory power. These findings describe statistical relationships within the study sample and do not demonstrate actual reductions in accounting fraud incidents.

The findings suggest that organizations may consider reviewing internal control procedures, evaluating compensation suitability, and strengthening ethical practices. However, the results should be interpreted in light of the study's limitations, including the 110 respondents selected through convenience and snowball sampling, the predominance of young and private-sector workers, and the use of self-reported questionnaire data. In addition, combining unethical behavior and accounting fraud tendencies into one dependent construct prevents the separate assessment of relationships with each outcome. Future research should use larger and more representative samples, adapt measurement instruments to different organizational settings, and measure unethical behavior and accounting fraud tendencies as separate constructs. Further studies may also examine additional organizational and individual factors to improve the model's explanatory power.

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