

ABSTRACT

This study has the purpose to investigate the influence of Hofstede's national culture dimensions which consist of power distance, individualism, masculine, uncertainty avoidance, long-term orientation, indulgence and economic factors in the form of GNI (Gross National Income) on fraud risk.

The population in this research all countries on the survey of Hofstede's national culture dimensions, the corruption perception index survey by Transparency International, and the GNI per capita of the World Bank. Using purposive sampling method, namely sampling based on certain criteria: countries that have national culture dimension scores, corruption perception index, and GNI scores which resulted in 79 countries. Data collection methods used was through documentation study. The multiple linear regression was used to analyze data. Proxy measurements for fraud risk are using corruption perception index.

The result of this research shows that the dimensions of power distance, masculinity, and uncertainty avoidance have a positive significant influence on fraud risk. In addition, long-term orientation, indulgence, and GNI have a negatively significant influence on fraud risk, while the cultural dimension of individualism has no influence on fraud risk.

Keywords: Fraud risk, Hofstede's national culture dimensions, GNI (Gross National Income)