

ABSTRACT

The accounting fraud is frequent and increase in many countries and organization. It brings a loss to firms and investors. This study aims to analyze the effect of Internal Control Effectiveness, Suitability of Compensation, Compliance to Accounting Rules, Information Asymmetry, and Morality of Management to Accounting Fraud Tendencies with Unethical Behavior as an intervening variable. More particularly, the research attempts to get the causal relationship between the variables involved.

Questionnaires are used for collecting the data from banking companies in the city of Semarang. Total sampel used for this study are 49 sampels. The data obtained were analyzed by using PLS analysis technique (Partial Least Square) through the PLS software.

The results showed that the internal control effectiveness, suitability of reward, compliance to accounting rules, information asymmetry, and morality of management significantly affect to unethical behavior. And than unethical behavior significantly affect to accounting fraud tendencies. But this research showed that the internal control effectiveness, suitability of reward, compliance to accounting rules, and information asymmetry not significantly affect to accounting fraud tendencies. And than morality of management significantly affect to accounting fraud tendencies.

Key Words : Internal Control Effectiveness, Suitability of Compensation, Compliance to Accounting Rules, Information Asymmetry, Morality of Management, Accounting Fraud Tendencies, Unethical Behavior, Partial Least Square (PLS).