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TOWARD EFFECTIVE FRAUD PREVENTION: INTEGRATING CORPORATE GOVERNANCE, ORGANIZATIONAL CULTURE, INTERNAL CONTROL, AND EMPLOYEE INTEGRITY

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Abstract

This study aims to examine the effect of Good Corporate Governance (GCG), Internal Control, Organizational Culture, and Employee Integrity on Fraud Prevention at PT Sina, a property sector company. The research gap in this study arises because previous studies mainly focused on the financial and governmental sectors, while research in the property sector remains limited. The novelty of this study lies in integrating GCG, internal control, organizational culture, and employee integrity within one model to explain fraud prevention in property companies. A quantitative approach was employed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). Data were collected through questionnaires distributed to 50 employees selected by purposive sampling. The results reveal that Good Corporate Governance and Internal Control have a positive effect on fraud prevention. Meanwhile, Organizational Culture and Employee Integrity do not significantly influence fraud prevention. The R^2 value of 0.800 indicates that the four variables explain 80% of the variation in fraud prevention. These findings imply that strengthening governance systems and internal controls is the primary factor in minimizing fraud risk in property companies.

Keywords: *Employee Integrity, Fraud Prevention, Good Corporate Governance, Internal Control, Organizational Culture*

1. Introduction

Fraud issues continue to be a major challenge for various organizations in Indonesia. Increasingly competitive business competition encourages companies to set

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high performance targets, thereby creating pressure on employees and management. On the other hand, the development of information technology and the complexity of business processes are often not accompanied by optimal supervision systems. These conditions can create opportunities for certain parties to commit fraudulent acts, thereby increasing the potential for fraud within organizations. Based on the Indonesia Fraud Survey 2025 published by the Association of Certified Fraud Examiners (ACFE) Indonesia Chapter, fraud still dominates as one of the main causes of organizational losses, both in the private and public sectors. The Indonesia Fraud Survey data also revealed that private companies are among the sectors that frequently become victims of fraud, with a percentage of 22.06%. This indicates that the risk of fraud does not only occur in the public sector but is also significant in the private sector.

The results of the Association of Certified Fraud Examiners Indonesia Chapter survey in 2025 showed that corruption is the most common type of fraud, accounting for 47.6%, followed by asset misappropriation at 40.2%, and financial statement fraud at 12.2% (ACFE Indonesia Chapter, 2025). These findings indicate that fraud not only causes financial losses but also negatively affects organizational reputation, trust, and governance quality. Therefore, fraud prevention efforts are needed through the implementation of effective internal controls, good corporate governance, a positive organizational culture, and strong employee integrity. The increasing fraud risk is also reinforced by the PwC Global Economic Crime and Fraud Survey 2024, which highlighted that industries managing high-value assets and complex operational processes, including the property sector, are vulnerable to fraudulent practices (PwC Global Economic Crime Survey, 2024).

Governance phenomena in the property sector are also reflected in media reports, one of which involves PT PP Properti Tbk restructuring its board of commissioners as an effort to strengthen supervision mechanisms and corporate governance. This condition shows that property companies with complex operational activities require strong internal control systems, organizational culture, and integrity to minimize potential irregularities and fraud risks (Nurfitri, 2025). PT Sina was selected as the object of this study because preliminary observations conducted by the researcher in February 2026 indicated several governance and operational issues within the company’s activities, including residential unit development around public facility areas that potentially caused conflicts with surrounding communities. The observations also identified several forms of violations of work regulations within the company’s operational activities, such as employees leaving before working hours ended, recording attendance without physically being present at the workplace, and using company operational vehicles for non-work purposes. These phenomena are closely related to the effectiveness of internal controls within the organization, as weak supervision may provide opportunities for individuals to engage in misconduct. On the other hand, these conditions also reflect the importance of implementing an organizational culture that emphasizes discipline, responsibility, and integrity values in the workplace. Employee integrity is an important factor in preventing fraud because individuals with high integrity tend to comply with regulations and maintain the trust given by the organization.

Good Corporate Governance (GCG) is an important foundation for preventing misconduct. GCG principles such as transparency, accountability, responsibility, and fairness serve as guidelines for organizations to build strong supervision systems, minimize conflicts of interest, and increase both internal and external trust. Several studies have demonstrated the effectiveness of GCG in preventing fraud. For example, Lisdiono et al. (2023) found that GCG significantly affects fraud prevention in the banking sector, proving that a good governance structure can reduce opportunities for fraud. Besides GCG, another important factor is organizational culture. A strong culture reflects values, norms, and habits shared by all organizational members. Research conducted by Rizqia & Widajantie (2022) showed that the effectiveness of internal control systems significantly affects tendencies toward accounting fraud. Another aspect receiving increasing attention is employee integrity, namely the consistency between honesty and a person's actions in carrying out duties.

The research gap in this study arises because previous studies mostly focused on the financial and governmental sectors. In contrast, the property sector, with its complex fraud risk characteristics, has received little attention. Employee integrity is also rarely studied together with GCG, organizational culture, and internal control within one model, and there has been no specific study conducted at PT Sina. The novelty of this study lies in combining these four variables within one framework to explain fraud prevention in the property sector. The urgency of this study is increasing because fraud remains a major risk in private property companies that have complex operations and high-value assets, making an understanding of factors that strengthen fraud prevention systems highly necessary.

2. Literature Review

2.1 Agency Theory

Agency theory explains the relationship between company owners (principals) and parties assigned to run the company, namely managers or employees (agents). In this relationship, differences in interests often arise. Owners expect the company to operate efficiently and free from misconduct, while agents may act in their own personal interests. This difference in objectives increases the risk of dishonest behavior and abuse of authority. Jensen & Meckling (1976) explained that when agents possess greater information and control than principals, agency problems emerge. Therefore, this theory emphasizes the importance of supervision, clear regulations, incentive systems, and governance (GCG) to ensure that agents' behavior remains aligned with company objectives.

2.2 Fraud Triangle Theory

Fraud Triangle Theory is the most fundamental theory in understanding why individuals commit fraud. Cressey (1953) found that fraud does not occur spontaneously. Three conditions usually arise simultaneously, namely pressure, opportunity, and rationalization. These three elements are interrelated and may encourage individuals to engage in misconduct within organizations. Through this theory, fraudulent behavior is understood as the result of interactions between personal conditions and weaknesses in organizational control systems.

Pressure may arise from various conditions, such as financial needs, lifestyle demands, work target pressures, or psychological stress, that cause individuals to feel pressured and consider deviant actions as a solution. Opportunity emerges when organizational control systems do not function effectively, such as weak supervision, unclear separation of duties, or inconsistently implemented procedures, leading perpetrators to perceive a relatively low risk of detection. The final element is rationalization, which refers to the process whereby individuals seek justification for their actions. At this stage, perpetrators convince themselves that their actions align with certain situations or personal values and therefore are not viewed as serious violations (Cressey, 1953).

2.3 Fraud Hexagon Theory

Fraud Hexagon Theory was developed by Vousinas (2019) in his article published in the Journal of Financial Crime. This model is known as the S.C.O.R.E Model and offers a more comprehensive perspective by integrating six key elements: Stimulus (pressure), Capability, Opportunity, Rationalization, Ego (arrogance), and Collusion.

In the S.C.O.R.E Model, capability emphasizes the intellectual aspect or strategic position of perpetrators that enables them to exploit weaknesses within the system. Meanwhile, the ego or arrogance element reflects a sense of superiority in which perpetrators believe they are immune to legal regulations or internal supervision. The most distinctive aspect of this theory is the inclusion of the collusion element.

2.4 The Effect of Good Corporate Governance (GCG) on Fraud Prevention

The relationship between Good Corporate Governance (GCG) and fraud prevention can be explained through Agency Theory, which highlights potential conflicts between principals (owners) and agents (management). Managers may engage in opportunistic behavior if proper monitoring mechanisms are weak. GCG functions as a control system through supervision, accountability, and segregation of duties, thereby reducing information asymmetry and moral hazard, and ultimately minimizing fraud risk. Empirical studies consistently support this relationship. Lisdiono et al. (2023) found that GCG positively influences fraud prevention in the banking sector through improved governance quality and supervision. Similarly, Kusumoaji et al. (2023) confirmed that GCG significantly enhances fraud prevention in rural financial institutions.

2.5 The Effect of Internal Control on Fraud Prevention

Effective internal control serves as a primary mechanism for fraud prevention by regulating procedures, supervision, and reporting systems within an organization. Based on Agency Theory, internal control reduces opportunities for agents to act opportunistically by limiting information asymmetry and strengthening monitoring systems such as segregation of duties and transparent reporting. Empirical evidence supports this relationship. Febriansyah & Indirwan (2022) found that internal control significantly reduces fraud in public financial management. Farochi & Himmawan (2022) also reported a positive and significant effect of internal control on fraud prevention and its contribution to strengthening GCG. In addition, Ferdiani (2024) emphasized that strong internal control systems reduce fraud risk through structured supervision and task separation. Nugroho & Afifi (2022) similarly demonstrated that internal control and GCG jointly and significantly prevent fraud in banking institutions. Ibrahim et al. (2023) further confirmed that internal control, together with organizational culture and anti-fraud awareness, exerts a significant partial effect on fraud prevention.

2.6 The Effect of Organizational Culture on Fraud Prevention

Organizational culture shapes shared values, norms, and ethical behavior within a company. In the Fraud Triangle perspective, a strong ethical culture reduces rationalization, making it difficult for employees to justify fraudulent behavior. A positive organizational culture also strengthens internal social control and reduces opportunities for fraud. Previous studies support this relationship. Lisdiono et al. (2023) found that organizational culture positively affects fraud prevention by strengthening ethical values. Kadek et al. (2025) also showed that organizational culture significantly reduces accounting fraud tendencies. Furthermore, Nuraini et al. (2025) confirmed that strong ethical values, transparency, and integrity within organizations enhance fraud prevention effectiveness. Septiani et al. (2023) also found that organizational culture positively influences fraud prevention, reinforced by individual morality and internal control as supporting factors. However, previous studies have shown inconsistent results. Raharja & Sulistyowati (2024) found that organizational culture does not significantly affect fraud prevention. This indicates that organizational culture alone may not be sufficient to prevent fraud if organizational values are not consistently implemented in daily work activities.

2.7 The Effect of Employee Integrity on Fraud Prevention

Employee integrity reflects consistency between moral values, attitudes, and work behavior. From the Fraud Triangle perspective, individuals with high integrity are less likely to rationalize unethical actions, thereby reducing the likelihood of fraud. Honest, responsible, and ethical employees tend to maintain professional conduct even under pressure, which strengthens fraud prevention efforts. Putri & Pertiwi (2022) found that employee integrity has a positive and significant effect on fraud prevention. Higher levels of integrity, such as honesty, trustworthiness, commitment, consistency, and responsibility, enhance an organization's ability to prevent fraudulent behavior. Nevertheless, previous studies also found different results. Mccauley (2026) stated that employee integrity does not always guarantee effective fraud prevention because fraud prevention is often more influenced by supervision systems and internal controls than by individual factors alone.

3. Research Methods

This study employed a quantitative approach. According to Sugiyono (2020), quantitative research is a type of research in which data are presented in numerical form and analyzed using statistical techniques. This approach was selected because the study measures variables such as Good Corporate Governance, Internal Control, Organizational Culture, and Employee Integrity, thereby requiring numerical data obtained through questionnaire distribution. The object of this study is the implementation of Good Corporate Governance (GCG), internal control, organizational culture, and employee integrity, as well as their influence on fraud prevention at PT Sina.

This study involved four independent variables, namely Good Corporate Governance (X1), Internal Control (X2), Organizational Culture (X3), and Employee Integrity (X4), which were assumed to influence the dependent variable, namely Fraud Prevention (Y). The indicators of Good Corporate Governance were adapted from Pratiwi & Wahyuni in Kusumoaji et al. (2023), including transparency, accountability, responsibility, and fairness. Internal control indicators, adapted from Andari & Ismatullah in Kusumoaji et al. (2023), include the control environment, risk assessment, control activities, information and communication, and monitoring activities. Organizational culture indicators according to Schein et al. (2017) include artifacts, espoused values, and basic assumptions. Employee integrity indicators from Sirait (2020) in Budiantoro et al. (2022) include consistency between values and actions, compliance with ethics, honesty in the workplace, and moral responsibility. Fraud prevention indicators according to Pratiwi & Wahyuni in Kusumoaji et al. (2023) include fraud awareness, code of ethics, and the implementation of sanctions. All variables were measured using a 1–5 Likert scale to determine respondents' levels of agreement with each statement.

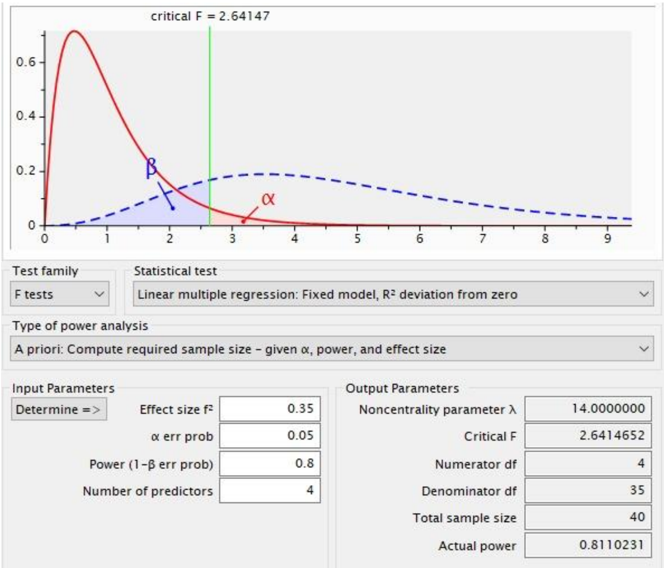
The population in this study consisted of permanent and non-permanent employees working in various departments at PT Sina, with a total population of 60 employees. The sampling technique used was non-probability sampling with a purposive sampling method. The criteria in this study included permanent employees who had worked for at least one year and were directly involved in the company's operational activities. The sample selection criteria are presented in Table 1.

Table 1. Sample Selection Criteria

No	*Sample Selection Criteria*	*Total (People)*
1	Total employee population	60
2	Non-permanent employees	(4)
3	Employees with less than 1 year of service	(1)
4	Employees not directly involved in operational activities	(5)
	Total respondents meeting the criteria	50

Source: Processed by the researcher (2026)

Based on the sample selection criteria presented in Table 1, the total number of respondents who met the research criteria was 50 employees. Data collection was conducted using questionnaires distributed directly to respondents. The adequacy of this sample size was established through multiple converging justifications.



First, an a priori power analysis using G*Power 3.1 (Kang, 2021) with parameters of an F-test for linear multiple regression, effect size $f^2 = 0.35$, $\alpha = 0.05$, power $(1-\beta) = 0.80$, and four predictors, yielded a minimum required sample of 40 respondents (actual power = 0.8110, exceeding the 80% threshold). The sample of 50 respondents therefore surpasses this minimum by 25%, ensuring greater parameter estimation stability. Second, the large effect size ($f^2 = 0.35$) is empirically grounded: prior studies consistently report strong positive effects of GCG (Lisdiono et al., 2023); (Kusumoaji et al., 2023); (Farochi & Himmawan, 2022), internal control (Febriansyah & Indirwan, 2022); (Ferdiani, 2024), organizational culture (Sudharma et al., 2023), and employee integrity (Budiantoro et al., 2022); (Mubarokah & Rahayu, 2023) on fraud prevention. Third, Ali et al. (2021) affirm that PLS-SEM needs, at a minimum, 50 samples for most research situations, a threshold precisely met by this study. Fourth, Roscoe et al. (1975), as cited in Vu (2024), established that samples between 30 and 500 are appropriate for most research. Fifth, Kock (2023) demonstrated through Monte Carlo simulation that PLS-SEM achieves acceptable statistical power at small sample sizes when models contain strong path coefficients and large effect sizes, which characterizes this study. Finally, the sample of 50 represents 83.3% of the eligible population (50 of 60), a coverage level that further strengthens representativeness within this bounded organizational context (Sugiyono, 2020).

The data in this study were analyzed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with SmartPLS 4 software. The SEM-PLS method was selected because it can analyze relationships among latent variables measured using indicators and is suitable for studies with relatively limited sample sizes and data that are not required to be normally distributed. In addition, SEM-PLS is flexible in processing Likert scale-based data commonly used in social and management research (Hair et al., 2021). The SEM-PLS analysis was conducted through two main stages, namely the measurement model (outer model) and the structural model (inner model). The outer model evaluation included convergent validity, discriminant validity, and reliability testing to ensure the validity and consistency of the indicators. Meanwhile, the inner model evaluation was performed by examining the R-Square (R^2), path coefficients, and hypothesis testing through bootstrapping procedures using t-statistics and p-values (Hair et al., 2021).

4. Results and Discussion

4.1. Result

2.7.1 Respondent Recapitulation

Table 2. Respondent Recapitulation Results

Variable	Number of Items	Mean
Good Corporate Governance (X1)	8	4.47
Internal Control (X2)	10	4.39
Organizational Culture (X3)	6	4.53
Employee Integrity (X4)	6	4.60
Fraud Prevention (Y)	6	4.31

Source: Data processed, 2026

Based on the table above, all research variables showed generally positive responses from respondents. The Good Corporate Governance variable obtained an average score of 4.47, indicating that the implementation of transparency, accountability, responsibility, and fairness within the company has been carried out effectively. Internal Control obtained an average score of 4.39, indicating that supervision systems, separation of duties, and control procedures within the company have been adequately implemented.

Furthermore, Organizational Culture obtained an average score of 4.53, indicating that work values, discipline, and work habits within the company have been consistently implemented. The Employee Integrity variable obtained an average score of 4.60, reflecting that employees have demonstrated honesty, responsibility, and compliance with the company's work ethics. Meanwhile, the Fraud Prevention variable obtained an average score of 4.31, indicating that the company has implemented fraud prevention efforts through supervision, codes of ethics, and the implementation of sanctions.

2.7.2 Convergent Validity

Convergent validity testing aims to ensure that each indicator accurately reflects the construct being measured. This test was conducted by examining the outer loading values and Average Variance Extracted (AVE). Indicators are considered valid if they have outer loading values ≥ 0.70 and AVE values ≥ 0.50 (Hair et al., 2021).

Table 3. Convergent Validity and AVE

Variable	Indicator	Outer Loading	AVE	Description
Good Corporate Governance	X1.1	0.857	0.740	Valid
	X1.2	0.906		
	X1.3	0.876		
	X1.4	0.934		
	X1.5	0.895		
	X1.6	0.812		
	X1.7	0.716		
	X1.8	0.866		
Internal Control	X2.1	0.868	0.738	Valid
	X2.2	0.861		
	X2.3	0.866		
	X2.4	0.858		
	X2.5	0.818		
	X2.6	0.893		
	X2.7	0.907		
	X2.8	0.852		
	X2.9	0.804		
	X2.10	0.859		
Organizational Culture	X3.1	0.923	0.810	Valid
	X3.2	0.952		
	X3.3	0.931		

Variable	Indicator	Outer Loading	AVE	Description
	X3.4	0.873		
	X3.5	0.876		
	X3.6	0.839		
Employee Integrity	X4.1	0.938	0.828	Valid
	X4.2	0.933		
	X4.3	0.945		
	X4.4	0.904		
	X4.5	0.800		
	X4.6	0.933		
Fraud Prevention	Y1.1	0.867	0.780	Valid
	Y1.2	0.879		
	Y1.3	0.903		
	Y1.4	0.903		
	Y1.5	0.902		
	Y1.6	0.842		

Source: Processed using SmartPLS 4

Based on the data processing results in Table 3, all indicators in this study have loading factor values above 0.70. In addition, all variables have AVE values exceeding the minimum threshold of 0.50. Therefore, it can be concluded that all indicators have met the convergent validity criteria and are suitable for further analysis.

2.7.3 Discriminant Validity

Discriminant validity aims to ensure that each construct has clear distinctions from other constructs. This test was conducted by examining the cross-loading values among indicators. An indicator is considered to have good discriminant validity if the loading value on the measured construct is higher than the loading values on other constructs (Hair et al., 2021).

Table 4. Discriminant validity

Construct	Highest Cross Loading Range	Description
Good Corporate Governance	0.716–0.934	Valid
Internal Control	0.804–0.907	Valid
Organizational Culture	0.839–0.952	Valid
Employee Integrity	0.800–0.945	Valid
Fraud Prevention	0.842–0.903	Valid

Source: Processed using SmartPLS 4

The results show that each indicator has a higher loading value on its respective construct compared to other constructs. No indicator has a higher loading value on another variable. Therefore, it can be concluded that all variables in this study have fulfilled the discriminant validity criteria.

2.7.4 Reliability Test

Reliability testing was conducted to determine the consistency level of indicators in measuring research constructs. This test was conducted by examining Composite Reliability and Cronbach's Alpha values. A variable is considered reliable if it has values ≥ 0.70 (Hair et al., 2021).

Table 5. Reliability

Variable	Cronbach's Alpha	Composite Reliability	Description
Good Corporate Governance	0.949	0.956	Reliable
Internal Control	0.960	0.961	Reliable
Organizational Culture	0.953	0.954	Reliable
Employee Integrity	0.958	0.964	Reliable
Fraud Prevention	0.943	0.944	Reliable

Source: Processed using SmartPLS 4

Based on the data processing results in Table 4, all variables in this study have Composite Reliability and Cronbach's Alpha values above 0.70. This indicates that all indicators have good consistency in measuring the studied variables. Therefore, it can be concluded that the research instrument is reliable and trustworthy.

2.7.5 R-Square (R^2) Value

The R-Square value is used to measure the ability of independent variables to explain the dependent variable in the research model. In this study, inner model testing was conducted using SmartPLS through the bootstrapping procedure.

Table 6. R^2

Variable	R^2	Adjusted R^2
Fraud Prevention	0.800	0.782

Source: Processed using SmartPLS 4

Based on the table, the R^2 value for the Fraud Prevention variable is 0.800, while the adjusted R^2 value is 0.782. The R^2 value of 0.800 indicates that 80% of changes or variations in fraud prevention can be explained by the four variables examined in this study, namely Good Corporate Governance, Internal Control, Organizational Culture, and Employee Integrity. Meanwhile, the remaining 20% is influenced by other factors not examined in this study. The adjusted R^2 value of 0.782 indicates that the research model explains fraud prevention effectively because the value has been adjusted according to the number of variables used, making the results more accurate.

2.7.6 Hypothesis Testing (Path Coefficient)

Hypothesis testing in this study was conducted by examining path coefficient values, t-statistics, and P-values obtained through the SmartPLS bootstrapping procedure. Hypotheses are accepted if the t-statistics value is > 1.96 and the P-values are < 0.05 at a 5% significance level.

Table 7. Hypothesis Testing

Variable Relationship	Original Sample (O)	t-Statistics	P-Values	Description
Good Corporate Governance → Fraud Prevention	0.316	2.823	0.005	H1 Accepted
Internal Control → Fraud Prevention	0.419	2.654	0.008	H2 Accepted
Organizational Culture → Fraud Prevention	0.240	1.722	0.085	H3 Rejected
Employee Integrity → Fraud Prevention	0.083	0.770	0.441	H4 Rejected

Source: Processed using SmartPLS 4

2.8 Discussion

2.8.1 The Effect of Good Corporate Governance on Fraud Prevention

The results of H1 testing indicate that Good Corporate Governance has a positive and significant effect on fraud prevention at PT Sina (t-statistics = 2.823; P-value = 0.005). These findings are consistent with Agency Theory proposed by Jensen & Meckling, which states that good governance mechanisms can reduce opportunistic behavior by agents. These findings are also in line with Lisdiono et al. (2023) and Kusumoaji et al. (2023), who proved that Good Corporate Governance positively and significantly affects fraud prevention.

In the property sector, business activities involve large-value assets, project licensing processes, procurement activities, cooperation with contractors, and interactions with many external parties, which increases the risk of fraud if governance is weak. Through the implementation of transparency, accountability, responsibility, and fairness principles, PT Sina can establish a supervision system that minimizes the potential for fraud. For example, project licensing documents and budget approvals must pass through several stages of verification and managerial authorization and are carried out based on clear procedures and accountability. Respondents also indicated that the company has implemented clear segregation of duties and information transparency, which strengthens supervision and reduces opportunities for fraud. These findings imply that PT Sina should continuously strengthen transparency and accountability mechanisms to further minimize opportunities for fraud.

2.8.2 The Effect of Internal Control on Fraud Prevention

The results of H2 testing indicate that Internal Control has a positive and significant effect on fraud prevention at PT Sina (t-statistics = 2.654; P-value = 0.008). These findings are consistent with Agency Theory, which explains that effective internal controls function as supervisory mechanisms to limit opportunistic actions through segregation of duties and layered supervision. These results are supported by Febriansyah & Indirwan (2022) and Ferdiani (2024), who proved that internal control is an effective structural factor in reducing fraud risk.

In property companies, operational activities tend to be complex because they involve project management, licensing administration, operational asset usage, and project expenditures across divisions. Therefore, strong internal control is necessary to minimize opportunities for irregularities. At PT Sina, internal control is implemented through routine supervision, segregation of duties, authorization systems, and periodic evaluations. For example, project fund disbursement must be supported by transaction evidence and approval from authorized parties. In addition, the division requesting payment is separated from the division responsible for verifying and approving transactions. Licensing documents are also reviewed by several parties before submission to related institutions to reduce the risk of document manipulation. These conditions strengthen supervision and support fraud prevention within the company.

2.8.3 The Effect of Organizational Culture on Fraud Prevention

The results of H3 testing indicate that Organizational Culture does not significantly affect fraud prevention at PT Sina (t-statistics = 1.722; P-value = 0.085). Within the framework of Fraud Triangle Theory, organizational culture is related to the rationalization aspect, which is the process by which individuals justify fraudulent actions. However, the insignificant influence of organizational culture indicates that the existing values are not yet strong enough to prevent individuals from rationalizing deviant behavior. In other words, even though an organization has a certain culture, it has not been fully understood and applied by employees in their daily work activities. This condition may occur because the existing organizational culture has not been fully implemented in daily work behavior and tends to remain symbolic in nature.

In property companies such as PT Sina, work activities are more strongly influenced by project targets and high work completion pressures. Employees tend to focus more on completing operational work rather than deeply implementing organizational values. In addition, the characteristics of the property industry, which are project-based, involve tight construction deadlines, large transaction values, and cross-divisional coordination, causing technical supervision and internal control to become more dominant factors in preventing fraud compared to organizational culture alone. These findings are consistent with Raharja & Sulistyowati (2024), who found that organizational culture does not significantly affect fraud prevention in village fund management. PT Sina should improve the implementation of organizational values through leadership example, regular communication, and work evaluations so that employees can apply organizational culture more consistently in their daily work activities.

2.8.4 The Effect of Employee Integrity on Fraud Prevention

The results of H4 testing indicate that Employee Integrity does not significantly affect fraud prevention at PT Sina (t-statistics = 0.770; P-value = 0.441). From the perspective of Fraud Triangle Theory, employee integrity is related to the rationalization aspect, namely how individuals justify or reject fraudulent actions. Individuals with high integrity should not easily rationalize fraud. However, the results of this study indicate that integrity has not been able to suppress this aspect significantly.

McCauley (2026) stated that under certain conditions, individuals may override existing control systems, meaning that personal integrity does not always guarantee the absence of fraudulent behavior. In large companies such as PT Sina, fraud prevention tends to be influenced more by the effectiveness of systems, work procedures, and organizational supervision than by personal factors alone. As a result, the influence of employee integrity becomes relatively smaller in determining fraud prevention effectiveness. In addition, most respondents provided relatively high and homogeneous assessments of integrity, resulting in low variation among responses. This limited variation reduced the ability of the integrity variable to explain fraud prevention statistically. Furthermore, issues found at PT Sina indicate that inappropriate behavior may still occur even though respondents tend to claim that they possess high integrity. In addition, Sangale et al. (2026) stated that fraud prevention is more effectively implemented through strict control systems rather than relying solely on individual awareness. In addition, the company is encouraged to provide continuous ethics training and strengthen monitoring systems to support employee integrity in preventing fraud within operational activities.

5. Conclusions

Based on the results of this study, it can be concluded that: (1) Good Corporate Governance has a positive and significant effect on fraud prevention at PT Sina; (2) Internal Control has a positive and significant effect on fraud prevention; (3) Organizational Culture does not have a significant effect on fraud prevention because cultural values have not been fully implemented in daily work behavior; and (4) Employee Integrity does not have a significant effect on fraud prevention because fraud prevention is more strongly determined by the company’s formal systems rather than individual characteristics. The R^2 value of 0.800 indicates that the research model explains 80% of the variation in fraud prevention.

This study has several limitations, including the use of purposive sampling, the relatively limited number of respondents, and the focus on a single property company, which may limit the generalization of the findings. Therefore, future studies are recommended to include additional variables such as whistleblowing systems, individual morality, or ethical climate, as well as conduct comparative studies across industries or wider geographic areas to obtain broader research results. In addition, companies are recommended to continuously strengthen the implementation of Good Corporate Governance and internal control systems, while improving the practical implementation of organizational culture and ethics programs within daily work activities.

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