

# ***THE EFFECT OF FRAUD HEXAGON ON FRAUDULENT FINANCIAL REPORTING ON COMPANIES IN INDONESIA***

**By M. Soelung Wicaksono Hadi**

## ***Abstract***

*This research aims empirically the influence of hexagon fraud on fraudulent financial reporting on companies listed in Kompas 100 Index on the Indonesia Stock Exchange in 2016-2019. The selection of samples in this study using purposive sampling method resulted in 184 observations. Hypothesis testing in this study using Multiple Linear Regression Analysis with STATA version 16 application. The results of the data analysis conducted, it can be concluded that (1) pressures projected by financial target has a significant positive effect on fraudulent financial reporting, but for proxies the level of performance has no effect on fraudulent financial reporting, (2) opportunity that are projected by nature of industry has a significant negative effect on fraudulent financial reporting, (3) rationalization that is projected change in auditor has no effect on fraudulent financial reporting, but the proxy ratio of total accrual has a significant positive effect on fraudulent financial reporting, (4) capability that is projected by change on director has no effect on fraudulent financial reporting, (5) arrogance projected by frequent number of CEO photos has no effect on fraudulent financial reporting, and (6) collusion projected political connection has no effect on fraudulent financial reporting.*

**Keywords :** *Fraud Hexagon, Financial Target, Performance Level, Nature of Industry, Change in Auditor, Total Accrual Ration, Change on Director, Frequent Number of Ceo Picture, Political Connection, Fraudulent Financial Reporting*

# **PENGARUH FRAUD HEXAGON TERHADAP *FRAUDULENT FINANCIAL REPORTING* PADA PERUSAHAAN DI INDONESIA**

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## **Abstrak**

Penelitian ini memiliki tujuan secara empiris pengaruh dari *fraud hexagon* terhadap *fraudulent financial reporting* pada perusahaan yang terdaftar dalam Indeks Kompas 100 di Bursa Efek Indonesia pada tahun 2016-2019. Pemilihan sampel dalam penelitian ini menggunakan metode *purposive sampling* yang menghasilkan 184 observasi. Pengujian hipotesis dalam penelitian ini menggunakan Analisis Regresi Linear Berganda dengan aplikasi STATA versi 16. Hasil dari analisis data yang dilakukan, dapat disimpulkan bahwa (1) *pressure* yang diproksikan *financial target* memiliki pengaruh signifikan positif terhadap *fraudulent financial reporting*, namun untuk proksi tingkat kinerja tidak memiliki pengaruh terhadap *fraudulent financial reporting*, (2) *opportunity opportunity* yang diproksikan *nature of industry* memiliki pengaruh signifikan negatif terhadap *fraudulent financial reporting*, (3) *rationalization* yang diproksikan *change in auditor* tidak memiliki pengaruh terhadap *fraudulent financial reporting*, namun proksi rasio total akrual memiliki pengaruh signifikan positif terhadap *fraudulent financial reporting*, (4) *capability* yang diproksikan *change on director* tidak memiliki pengaruh terhadap *fraudulent financial reporting*, (5) *arrogance* yang diproksikan *frequent number of CEO photos* tidak memiliki pengaruh terhadap *fraudulent financial reporting*, dan (6) *collusion* yang diproksikan *political connection* tidak memiliki pengaruh terhadap *fraudulent financial reporting*.

**Kata Kunci :** *Fraud Hexagon, Financial Target, Tingkat Kinerja, Nature of Industry, Change in Auditor, Rasio Total Akrual, Change on Director, Frequent Number of Ceo Picture, Political Connection, Fraudulent Financial Reporting.*