The Effects Of Intelligence Quotient, Emotional Quotient, And Spiritual Quotient On The Tendency Of Accounting Fraud

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Abstract: The purpose of this research is to identify the effect of intelligence quotient (IQ), emotional quotient (EQ) and spiritual quotient (SQ) on employees' accounting corruption tendency. This research is a development of research conducted by Thoyibatun (2009). The object of this research is local government institution in Malang. This study uses descriptive analysis method using primary data (questionnaire) and secondary data (documents). Primary data which is come from the distribution of questionnaires which is answered by local government officers in Malang. While secondary data is obtained from the documentation that available at The Human Resources Development Agency. There are a total of 105 data samples are obtained from 34 local government agencies in Malang. The data is then analyzed using multiple linear regression analysis techniques with the help of SPSS software (Statistical Product and Service Solution). The result of this research is, firstly intelligence quotient has a negative significant effect on tendency of accounting fraud, secondly emotional quotient has a negative significant effect on tendency of accounting fraud, thirdly spiritual quotient has not effect significant on tendency of accounting fraud. This research gives contribution to Malang local government in order to upgrade intelligence quotient, emotional quotient in reducing the rate of tendency of accounting fraud.

Index Terms: Intelligence Quotient (IQ), Emotional Quotient (EQ), Spiritual Quotient (SQ), Tendency of Accounting Fraud (TAF).

1. INTRODUCTION
The event of accounting corruption tendency in Indonesia is one of the hottest topics. It can be seen by newspaper headline regarded to budget misappropriation, deviation of village fund, and the corruption done by the head of village. The accounting corruption tendency leads government lost because of this corruption they will get less of their rights or moreover they will lost it at all. Because of this condition it is needed the information or the comprehensive result of research which has some benefit for the government or non-government institution in solving the accounting corruption tendency better. Generally, the accounting corruption tendency can be indicated by an purpose action for cheating purpose or manipulating purpose, so it effect on other side can loss. Soepardi (2007) stated that the meaning of accounting corruption tendency can be exchanged each other especially in understanding of the corruption tendency words. Some element or people may be have involve in incorrect disclosing of the fact, breaking the rule or trustworthy mandate, and removal of critical facts. Thoyibatun (2009) in his research stated that the accounting corruption tendency is action, policy and method, concealment, improper disguise intentionally in their financial statement and in their asset management by purposing take advantage for themself which impacted other people get loss. Then Hall (2011) stated that tendency of accounting fraud is a misappropriation which indicates the fake material from some of facts. The fake material is done for cheating purpose in ensuring other people on the fake materials. The tendency of accounting fraud is existing in private sector or government sector especially at object of misappropriation, while the form of tendency of accounting fraud is same (Thoyibatun, 2009). Some of tendency of accounting frauds examples are a L/C bulgary of BNI Bank, Global Bank Case, Century Bank, Illegal Sugar Import, non budget fund in BULOG. In public sector of tendency of accounting fraud such as e-KTP corruption, health equipment supplying, education budget and misappropriation of income and expenditure regional budget. It occured in Malang regency such as misappropriation of village fund and village fund budget done by the head of its village. In agency theory, organization is described as a collaboration between owners and agencies which based on contract or approved agreement (Jensen and Meckling, 1976). When occurs interest conflict between owners and agencies, so it will be called unhealthy condition which the accountability statement is not presented with reliable or it is not full disclosure (Scott, 2015). Because of interest conflict, so it possibly occurs adverse selection or moral hazard action. For facing this situation, so the owners will revise the contract by designing compensation system and controlling the agencies as a manager who loyal on the approved dealing and do not take advantage from asymmetry information for their own interest. Baiman (1990) stated that since occurs interest conflict between the agencies and owners leads agencies behavior different from the items of the contract, so in this case the contract will be fixed by revising the compensation system and increasing its cost. Related to this matter, the internal controlling system will be designed. In fact, its completely different in the public sector in Indonesia. In government institution, it found that by justified compensation which assumed adequate and unable to reduce unethical behavior and the tendency of accounting fraud done by an individual person (Wilopo, 2006) Baiman (1990) stated that since the analysis on the problems of accounting matters only based on material factors, so the tendency of accounting fraud couldn’t be completely solved. Baiman (1990) argued that it is necessary to analyze which involving non material factors lead effect to individual behavior. Agustian (2016) stated that there are three factors influence on individual behavior such as intellectual quotient (IQ), emotional quotient (EQ) and spiritual quotient (SQ). All of these adequate quiotents lead the sincere character and adequate quality mentality. It is supported by Trihandini research (2005) which stated that intelligence quotient has a positive effect on work performance. Tikolah (2006) stated that intellectual quotient has a significant and dominant on the individual ethical behavior. Someone whose higher IQ will work better and realzie to what the consequence when they broke the rules. This matter supported by Eysenck (1981) stated that an officer whose higher IQ results a better work performance rather than who has a lower IQ. Someone who has a higher IQ much easier to absorb the knowledge they learned and lead them easy in solving their problem which related to their job. In this case, all of their job result will be better. Maryani and Ludidgo.
(2001) research proved that emotional quotient has a significant impact on an individual behavior ethic. Then McCuddy and Pirie (2007) stated that spiritual quotient has related each other with individual moral behavior dan may influence on an individual behavior in taking decision including financial decision. It is also proved by Wicaksono and Urumsah (2016) who stated that spiritual quotient has a negative significant effect on the tendency in doing cheating.

2. Review of Literatures

2.1. Agency Theory
Agency theory is theory explained distinguish between ownership and agent. According to Meisser et.al (2006) that interrelated among agents could lead to two kind of problems such as: (a) asymmetry information which the agent generally have more information regarded to the truth financial position and the operation organisation position of principal and (b) occurs of conflict of interest or there is the difference of interest whereas the agent could not always acts based on principal interest. Agency theory (Jensen and Meckling, 1976) is using as a fundamental of concept model development in this reseaech. This matter match with the main purpose of research in this research such as for confirming the intellectual quotient, emotional quotient and spiritual quotient which one of problem development through the relationship between principal and agent. Because the conflict interest and it is more than the normal capacity, it motivate the agent for doing tendency of accounting fraud.

2.2. Tendency of Accounting Fraud
Tendency is meant as ‘more interested on...’ but they are not always interest on... (Daryanto, 1977) which can be concluded because some behavior done contain the value for targeting to the matter they have interested, tendency of accounting fraud is already in fraud even it was not a serious matter. It is reasonable because they do not mention it regularly. It caused this research to analyze the previous research which focused on the fraud matters. Literally fraud is defined as a tendency of fraud but this meaning is already developing in more broad, Tunggal (2012) stated that fraud is on purpose cheating through financial fields for corrupting others’ asset or other people right. Indonesian Accounting (IAI, 2001) described that fraud is all of the accounting activities consist of 1) On purpose incorrect financial statement for pretending to the user of its financial statement. 2) the financial statement is created by misthreat on the activa regarded to stealing of activa by financial statement which it is not follow the general accounting methods in Indonesia. Belkaouli and Picur (2000) stated that accounting fraud is the result effort of a group whose an interest conflict for protecting their interest, for example an interest to have law protecting for their certainty benefit, the unsatisfaction reaction because current issues, or on purpose of lack of the rules.

2.3. Intellectual Quotient
Generally, the term of intellectual quotient use for describing the character or people mind such as analysis ability, planning, problem solving, abstract ways of thinking, ideas understanding, communication, and learning. Intellectual has close relationship with cognitive ability. Fudiyartana (2004) stated that IQ is adapted ability, intellegent people has an ability to organize the pattern of their behavior. There are some intellegency measurement instruments and each IQ test used focus on the purpose and need (Eysenck, 1981). Wiramiharja (2003) argued that intellegency measured by the instrument which is developed by Peter Lauster, while measurement of level intellegency used Richard Pauli test instrument especially regarded to the amount of number. Wiramiharja (2003) proved that there is positive and significant influenced between intellectual indicators on working performance and ability variables such as figure intelectual, verbal intellectual and numeric intellectual. Someone who has high level of IQ able to work with good quality and realized to the impacts when they breaking the rule. It is supported by Eysenck (1981) which stated that an officer who has good ability could result better performance.

2.4. Emotional Quotient
Generally, emotional quotient is someone ability to accept, to evaluate, to manage, and to control the emotion and other people. Salovey and Mayer (1999) defined EQ is a union of social quotient which involved someone ability to evaluate social feeling to other people. Someone has to classified the information for controlling acting and thinking. Goleman (2000) stated that emotional quotient is the quotient consist of ability to self control, to spur their self, keep deliberately, and to motivate their self. It ability including to control the emotion both positive and negative emotion. Someone who has a good EQ able to consider everything more comprehensive through in behave ethically (Tikollah, 2006), Thoyibatun (2009) stated that moral factor which consist of emotional quotient and spiritual quotient are playing an important role on how someone to have satisfaction through the rate of compensation and how to realize regarded how useful to follow the working procedure for avoiding the tendency of accounting fraud.

2.5. Spiritual Quotient
Spiritual quotient is ability to assist someone in solving their problems and make a peace with their problems. Agustian (2016) stated that spiritual intelligence is the ability to give meaning to actions and activities through natural steps and thoughts, to a whole person and have an integralistic and principled pattern of thinking just because of God (Deity). Zohar and Marshal (2001) defined spiritual quotient is a moral feeling, ability to adjust with the strict rules following by understanding and love and ability to predict when love and understanding achieve to the limit. Individual behavior is not only influenced by intellectual quotient and emotional quotient but also by spiritual quotient and faith. Spiritual values and faith of a believe influence the way an individual thinking and acting including relationship with other people (Hage and Posner, 2015). Because of that, faith can control honest behavior and can increase individual identity with their religious. (Weaver dan Stansbury, 2014). Someone who has spiritual quotient and faith will show up behavior as their believe and it will be reflected in communities. It is already proved that spiritual effect and faith will effect on positive behavior (Ntalianis dan Darr 2005). Positive behavior means someone will more show up the behavior in other to keep up good ethic and avoided the fraud.

3. Research Method
The research purpose is to identify the effects of independent variables such as intellectual quotient (X1), emotional quotient
Triple quotient and spiritual quotient on the dependent variable such as tendency of accounting fraud (Y) partially. This research is descriptive research which identify all of the problems such as current facts from a population, (Indriantoro dan Supomo, 2002). This research location is at local government institution Malang City in East of Java. The reason to chose this location is based on the report from Malang Corruption Watch (MCW) during 2016 corruption cases in Malang City increased. This city place rank 9 and stated as the highest corruption city in East of Java. Based on the data from employment and human development, it is identified that regional device organization in Malang City are 34. Unit analysis are 1) officers who involved in financial process, budget planning, and financial planning consist of (a) head of department, (b) secretariat, (c) sub finance section, (d) sub program section; 2) officers who have position experiences at least 1 (one) year in his current position. The reason is in order to they more understand about working process in their position. Based on the above criteria, so it is decided there four unit analysis each regional device organized will be taken in Malang City. Sample in this research use total sampling technic, whereas population is equal to the samples. (Sugiyono, 2010). There are 105 data are collected and analyzed in this research. Quantitative approach is used in this research supported by primary data or survey method and quisionaires as instrument. To measure variables X2, X3 and Y used Likert Scale consist of 5 points such as (1) very disagree (2) disagree, (3) neutral, (4) agree, (5) very agree. Especially for intellectual intelligence variable (X1), data collection is done with the CFIT Scale 3 Intelligence Test which is done with the help of experts in this case is a psychologist. The use of psychology assistance in measuring intellectual intelligence tests because only psychologists can measure and assess a person’s level of intelligence. The role of psychologists in this study is to do calculations and provide a score on the results of intellectual intelligence tests.

4. RESEARCH RESULT
Multiple linear regression analysis using SPSS software for deciding the effects of independent variables on dependent variable especially the effect of intelligence quotient (X1), emotional quotient (X2), and spiritual quotient (X3) on the tendency of accounting fraud (Y) officers of Kota Malang regional device organization. The regression result of research presented as follow:

**TABLE 1. REGRESSION RESULT OF X1, X2, X3 AND Y**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Unstandardized Coefficients (B)</th>
<th>Standardized Coefficients Beta</th>
<th>t-test</th>
<th>Sig.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3,853</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IQ</td>
<td>-0.010</td>
<td>-0.237</td>
<td>2.450</td>
<td>0.016</td>
<td>Significant</td>
</tr>
<tr>
<td>EQ</td>
<td>-0.119</td>
<td>-0.188</td>
<td>2.139</td>
<td>0.022</td>
<td>Significant</td>
</tr>
<tr>
<td>SQ</td>
<td>0.258</td>
<td>0.022</td>
<td>1.697</td>
<td>0.271</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

R = 0.311
R Square = 0.097
R Square Adjusted = 0.070
α = 0.05

Description: Data (Observation) = 105, t-table (α=5%) = 1,983,
Dependent Variable = The Tendency Of Accounting Fraud
Based on regression analysis in table 1, can be presented as follow:

\[
Y = 3,853 - 0,010 IQ - 0,119 EQ + 0,258 SQ + e
\]

Regression equation showed that there are two variables have significant effect on tendency of accounting fraud such as intellectual quotient (IQ) and emotional quotient (EQ), while spiritual quotient (SQ) is not significant. The interpretation for table 1 as follow:

[1] Constant, when the value of intellectual quotient, emotional quotient and spiritual quotient = 0, so the value of tendency of accounting fraud is 3,853.

[2] Coefficient of intellectual quotient (X1) is 0,010 and negative means that when X1 increase one unit, so the tendency of accounting fraud will decrease 0,010 unit. The significant value of intellectual quotient is 0,016. It is less than 0,05 (0,016 < 0,05), so H1 is accepted and H0 is rejected. X1 variable has \( t_{\text{test}} = 2,450 \) with \( t_{\text{table}} \) is 1,983. So \( t_{\text{test}} > t_{\text{table}} \) It can be concluded that intellectual quotient (X1) has a significant effect on tendency of accounting fraud (Y).

[3] Coefficient of emotional quotient (X2) is 0,119 and negative, it means that when the emotional quotient (X2) increase one unit, so the tendency of accounting fraud (Y) decrease 0,119 unit. The significant value is 0,022. It is less than 0,05 (0,022 < 0,05), so H2 is accepted and H0 is rejected. X2 variable has \( t_{\text{test}} = 2,139 \) with \( t_{\text{table}} \) is 1,983, so \( t_{\text{test}} > t_{\text{table}} \) so, it can be concluded emotional quotient(X2) has a significant positive effect on the tendency of accounting fraud (Y).

[4] Coefficient of spiritual variable (X3) is 0,258 means when spiritual quotientent (X3) increase one unit, so tendency of accounting fraud (Y) increase 0,258 unit. Signifcant value of spiritual quotient is 0,271 or more than 0,05 (0,271 > 0,05), so H3 is rejected and H0 is accepted. X3 variable has \( t_{\text{test}} \) is 1,697 with \( t_{\text{table}} \) is 1,983. \( t_{\text{test}} < t_{\text{table}} \) so can be concluded that spiritual quotient (X3) has not significant effect on the tendency of accounting fraud (Y).

5. DISCUSSION OF RESEARCH RESULT
5.1. The Effect of Intellectual Quotient on The Tendency of Accounting Fraud.
The result of this research proved that intellectual quotient has a significant influence on the tendency of accounting fraud or if intellectual quotient greater, so the tendency of accounting fraud is lower. It is reasonable because intellectual quotient can motivate someone thinks logically, objectively, accurately and able to anticipate of the consequence anything they have already done and decided. Someone who has good intellectual quotient indicates has a high level of knowledge and they can implement it into their daily activity. There are some news both from newspaper and television reported that many officers and staffs who has an intellectual quotient, but still corrupted. This is because of even they have an intellectual quotient, but still effected by other factors, for example environment and culture factors which push them to corrupt. This research to support Tikollah (2006) proved that intellectual quotient has significant and dominant effect on ethical behavior. It is also to support Wiramiharja (2003) which proved that intellectual quotient has a positive correlation on the individual working performance. Some empirical evidence to support this research are Maryani & Ludigdo (2011); Trihandini (2005); Askar (2006); Ludigdo (2004) who have proved that intellectual quotient has a significant influence on ethical behavior and an individual performance.
5.2. The Effect of Emotional Quotient of The Tendency of Accounting Fraud
The emotional quotient has a negative significant influence on the tendency of accounting fraud. Like was an intellectual quotient, when the emotional quotient greater, so the tendency of accounting fraud is lower. Someone who has a good emotional quotient considers more comprehensive and lead show up more ethical behavior. Emotional quotient has an important role on how someone to get a satisfaction regarded to the compensation and how someone can realize about vitality of working procedures. Someone should control their emotion for good purposes or no good purposes. This result of research is similarities with research done by Maryani and Ludigdo (2001) stated that emotional quotient has a significant influence on individual ethical behavior. It is also similarities with Salovey & Mayer (1990) research which defined that emotional quotient as ability to guide their mind and behavior and the ability to control their emotion for theirself other people self. Some opinions which supported this research are presented by Goleman (2005), Cooper & Sawaf (1999), dan Agustian (2016) which stated that higher emotional quotient able to admit for other people feeling and to implement it in their behavior.

5.3. The Effect of Emotional Quotient on The Tendency of Accounting Fraud
The result of this research showed the spiritual quotient has not significant influence on the tendency of accounting fraud. This research failed to prove that the tendency of accounting fraud effected by spiritual quotient. It is reasonable because spiritual value just stop until knowledge and views which it is not implemented in their real behavior. When the behavior already developed, but spiritual values only as other part of the knowledge, so it is reasonable someone can do anything without any care on spiritual value. This research result does not support the existing theories. Theoretically, someone who has a spiritual quotient could motivate someone to do a negative behavior. (Zohar & Marshall, 2001). This result does not support Wicaksono and Urumsh (2016) stated that someone who has a spiritual quotient and faith tend to avoid the fraud. This research supported Tikollah (2006) and Thoyibatun (2009) stated that spiritual quotient does not have a significant effect on ethical behavior ad the tendency of accounting fraud.

6. CONCLUSION
The conclusion of this research is intellectual quotient and emotional quotient have a negative significant influence on the tendency of accounting fraud, while spiritual quotient does not have a significant influence on the tendency of accounting fraud in Malang City, East of Java. This research contributed to the local government and companies in Indonesia as inputs to decide a certainty strategies and some training for optimizing the companies functions and roles. The companies function needs to be implemented is to develop human resources through intellectual quotient and emotional quotient in order to avoid the tendency of accounting fraud.

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