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THE ROLE OF UNIVERSITY ORGANIZATIONAL CULTURE IN ANTI-FRAUD SYSTEMS (CASE STUDY AT UNIVERSITY X)

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ABTRACT

University is expected to be a role model in the application of Good Corporate Governance (GCG), because it is the place where the values related to idealism are developed. In practicing GCG's principles, organizational culture acts as a top layer for an early detection system against fraud. The purpose of this study is to measure the level of the internalization of organizational culture in University X. The data were collected through questionnaires distributed to selected education staff of University X. Sampling was done using sampling stratified technique with 180 participants. The research data were analyzed using descriptive statistical technique by exerting theoretical mean from the result of data collected to measure the level of understanding and application of behavior of university values. The results show that there is a gap between the expected (ideal) and current (actual) level of organizational culture internalization.

Keyword: Organization Culture, Culture Audit, Good Corporate Governance.

1. INTRODUCTION

In the midst of the increasingly rapid development of the industrial age, fraud remains an interesting issue to discus. Fraud is a latent threat in every corporation / company. According to various surveys, fraud has a negative impact on the corporation in many ways including financial, reputation, psychological and social implications. The results of the research conducted by the Association of Certified Fraud Examiners (ACFE) Global show that fraud causes significant monetary losses, where 5% of corporate income has been a victim of fraud each year.

Based on the results of the Survai Fraud Indonesia 2016, the types of fraud most often found in Indonesian corporations (respectively) are Corruption, State and company Asset / Wealth Abuse, and Financial Statement Fraud. The high number of fraud and corruption practices in Indonesia has become one of the main reasons for all companies in Indonesia to adopt good corporate governance (GCG).

In realizing GCG, higher education has a strategic role. Higher Education is expected to be active in improving national integrity and clean corporations. Efforts to create clean corporations must start from the world of education, especially higher education. Higher Education is considered to have moral responsibility in this matter because the Higher Education will give birth to leaders who will manage national

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corporations. Higher education is expected to be an example in the effort to realize GCG, because it is in higher education that the values of idealism and anti-fraud are developed.

According to Wahyudi (2016), fraud control is needed to prevent fraud in Higher Education. Fraud control is a control system that can detect early symptoms of fraud. Furthermore, fraud control's performance can provide a framework for Higher Education to create an early detection system for all forms of fraud. There are three layers in the fraud control framework: 1) leadership and organizational culture; 2) legislation, policy and governance; and 3) fraud control strategy. By applying fraud control, all forms of fraud can be anticipated and detected as early as possible so that good governance can be realized. Therefore, it can be seen that organizational culture is one of the layers that have an important role to realize good governance.

Furthermore, according to Yasin (2013), organizational culture includes shared values, shared norms, shared beliefs, shared traditions, and shared assumptions which are understood correctly, implemented consistently, and become a guideline for organizational members to behave, think, and act in solving problems and achieving organizational goals. Schepens (2006) explains that organizational culture is operated through the formulation of core values along with behavioral guidelines to help employees at work. The application of the core values of organizational culture in the work environment is directly proportional to the success of the implementation of GCG in an organization. The alignment of the organizational culture with the organizational long-term goals, as reflected in its vision and mission, is the key to success in achieving organizational goals.

The implementation of GCG principles and organizational culture simultaneously will affect the work behavior of HR within the organization. One study that examined the effect of organizational culture and the application of GCG on employee performance was conducted by Setyowati, Hadi and Dewi (2014). The main results of the study show that organizational culture and GCG have a positive and significant effect on employee performance both partially and simultaneously.

This study is conducted in University X with the aim to find out the extent to which the organizational culture has been internalized in education staff in University X. The focus of the respondents of this study is education staff. Judging from the function, education staff has job characteristics that are closely related to the implementation of GCG in supporting university operations, such as administrative, secretarial, and financial management.

University X, a national private university, was established in 1960. It is the only Catholic university in Jakarta. In 2016, University X successfully entered the list of 39 best universities of the 1477 universities nationally. This university has eight faculties with 35 study programs. In addition, this university has approximately 900 employees (educators and education staff) and approximately 16,000 students. It has three campuses in different locations: 1) Campus A in the Semanggi area, Central Jakarta; 2) Campus B in BSD, Tangerang; and 3) Campus C in the Pluit area, North Jakarta.

University X was founded by a group of young Catholic scholars as the realization of Catholic educational work in an effort to educate the nation's life based on Pancasila and the 1945 Constitution. As a university, University X has a vision of becoming a leading university that has academic and professional excellence at national and international levels that consistently embodies a blend of Christian faith, science and technology, and Indonesian culture in an effort to educate the life of the nation.

In an effort to achieve the vision, University X sets the core values of the university known as **KUPP: *"Kristiani, Unggul, Profesional, dan Peduli"* (Christianity, Excellence, Professionalism**

and Care). The existence of KUPP values is expected to be an advantage of every element of the university which will later become a distinctive feature of every citizen and contribute to the university. Although it has been established for almost six decades, the value of Catholicism was just adopted as a new formal organizational value in 2012.

Based on observations and interviews with education staff, there are still employees who do not understand KUPP and have not applied KUPP concrete behaviour in the work environment, one of which is fraud in financial statements.

Based on the perspective of organizational culture, the finding in the field indicates that the core values of the university have not been fully absorbed in the work activities of each education staff. Besides, the unity between values and behaviour seems to have not proceeded in harmony. This finding is quite interesting because based on the intensity of the provision of core value socialization programs the education staff has a larger portion than educators. The intensity of the KUPP value dissemination program so far has been focused more on education staff because there is more education staff than educator. The socialization program that has been carried out is quite diverse, such as retreat activities between employees, reflection of work, introduction of values through new employee orientation programs, and training with the theme of deposition of core values of KUPP.

The gap between what is expected and what is happening at the moment is the basis for researchers to design and implement activities in the form of interventions that aim to reduce the differences / gaps found.

Before designing a strategic step to reduce inequality, various efforts need to be made to determine the extent to which KUPP core values are understood and applied. These efforts are known as cultural audit. By conducting a cultural audit, it can map the actual conditions that occur in the current company and see the gap with the expected ideal conditions (Schein, 2009).

The measurement of cultural audit is done by measuring the level of internalization of organizational culture. The cultural audit carried out is not limited to the level of understanding only. In his espoused theories, Schein (2004) explains that there is possibility that an employee has the right understanding, but he does not apply company value to his behaviour. Therefore, in addition to measuring the level of understanding, the researchers also measure the level of implementation of company values in the form of behaviour. In this study, the ideal condition of organizational culture comes from key aspects and behaviours of the company value. Thus, the purpose of a cultural audit is to get an idea of the internalization of organizational culture which is seen from the level of understanding and application of education staff in the work environment. The level of understanding of the education staff is a further level of knowledge, because it includes the ability of education staff to link the KUPP concept to concrete work behaviour in everyday life. By conducting a cultural audit, it is expected to be able to see the cultural gaps that occur at this time. The results of the cultural audit will then be used as a reference in the design of intervention programs needed to minimize the gap in the level of internalization of the core values of University X.

Formulation of the Problem

How is the description of the level of internalization of organizational culture in education staff measured by the level of understanding and the application of the core values of University X?

Objective of the Study

The objective of this study is to find out the description of the level of internalization of organizational culture in education staff measured by the level of understanding and application of the core values of University X.

2. THEORICAL BASIS
Organizational Culture
Edgar H. Schein (2009) defines organizational culture as a pattern of basic assumption that is created, discovered or developed by certain groups as learning process to overcome problems of external adaptation and internal integration formally and well. And then the pattern is taught to new members as the right way to understand, think and feel related to these problems.

The Role of Organizational Culture
According to Judge & Robbins (2009), corporate culture has various roles, such as:
1. The role of organizational boundaries

Corporate / organizational culture provides both physical boundary and non-physical boundary between one organization and another organization. It gives direction and guidance on what can and cannot be done by employees. Sometimes the guidance is in the form of norm because it is not written on company regulations.
2. Identifier

Culture gives the identity of employees related to the characteristics of a company
3. Uniting Employee Commitments

When a company experiences economic difficulties, for example, corporate culture often plays a role in uniting the commitment of its employees to fight together so that the company is able to get out of these difficulties and even they are willing to sacrifice with extra work without adequate rewards
4. Directing Actions

Corporate culture often acts as a controller and director of an action. Even though the way a particular employee behaves is not written on company rules, the employee can predict, sense, or estimate which behavior is allowed and not.
5. Effects of Life Organizing

Culture acts as a stabilizer of "shared life" of members of an organization. Conflicts, especially those that are dysfunctional, can often be muted by organizational culture because it plays an active role in facilitating differences and encouraging the achievement of goals that are oriented towards common interests.

Organizational Culture Audit
Schein (2009) explains that cultural audit is a process to map the actual conditions that occur in the company and see the gap with the expected ideal conditions. The form of organizational culture audit varies depending on the needs of the company. The usual thing to do is through questionnaires, surveys and FGDs or through workshops.

According to Schein (2004), the behavior of employee in an organization can be measured at the second level of cultural level (espoused values) through questionnaires and in depth interviews. Measurement through questionnaires is conducted by calculating the mean of each questionnaire given to each company employee. According to Pardo-del-Val, et. al. (2006), the sum of the results of each employee's perception of company values, as well as behavioral norms related to these values, will provide an understanding of the current cultural conditions.

According to Ritchie (2000), aspects that affect employee behaviour in accordance with company values are the right perceptions of behavioural parameters. The behaviour that is in accordance with company value will emerge if each employee has a proper understanding of company values. Based on this explanation, the researchers measure the level of understanding as an indicator of the level of internalization of organizational culture.

The cultural audit carried out is not only limited to the level of understanding. In his espoused theory, Schein (2004) explains that it is possible that an employee has the right understanding, but he does not apply the company value to his behaviour. Therefore, in addition to measure the level of understanding, the researchers also measure the level of the implementation of company values in the form of behaviour.
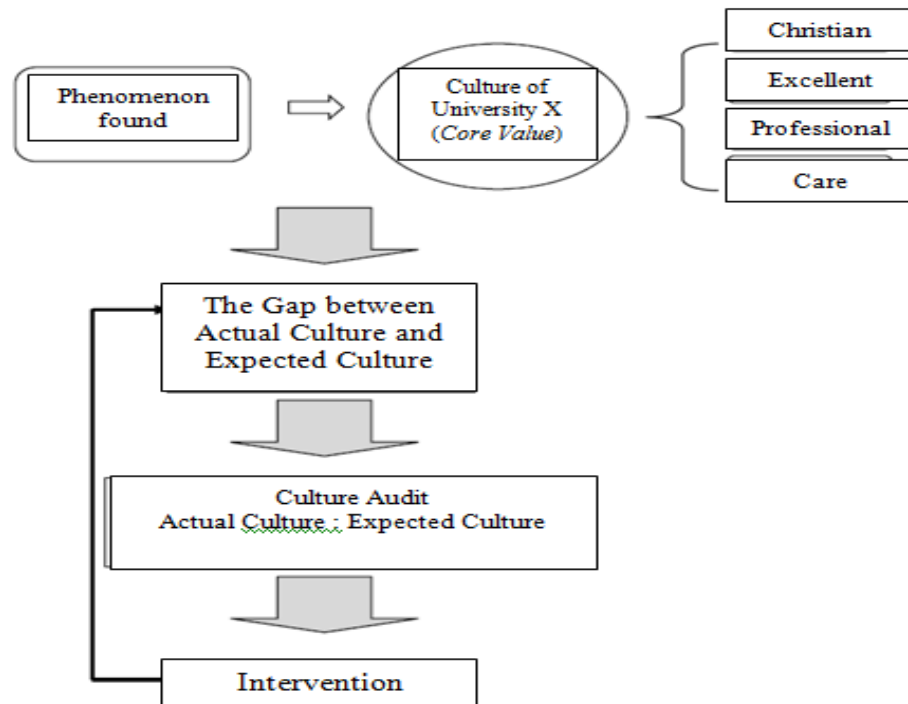
Figure 1. Framework

3. METHOD

This research is an action research. The research population is 341 people from all education staff in University X. The sampling is done using Stratified Sampling technique. The characteristics of participants are permanent education staff and / or those who have participated in one of the methods of KUPP core value socialization carried out by University X. After conducting the sampling technique, the number of participants obtained is 184 people.

The research variable is the internalization of the core values of University X which is measured by the variable of the level of understanding and the level of application of the core values of University X from the education staff.

Data Selection Technique

This study uses a questionnaire consisting of two parts. The first part is a multiple choice questionnaire which aims to measure the level of understanding of respondents on the core values of university X. In the second part, the questionnaire aims to measure the level of application of the university's core values in their implementation in the work environment. The second questionnaire contains self-report items that represent the subject's feelings towards the corporate culture that is reflected in the subject's answers. The choice of response is given by the researchers in the form of a Likert scale with four (4) alternative answers: Always **(ALW), Frequent (FRE), Sometimes (SOT), and Almost Never (ALN).**

Before conducting field tests, the researchers conducted a try-out as a psychometric test to analyze items through the validity and reliability test of the research instruments that had been made. Based on the try out, there were 27 items in the first questionnaire and 73 items in the second questionnaire that were valid to be given to participants.

Data Processing Technique

The researchers employed descriptive statistical techniques using the theoretical mean of the results of the respondents' data that had been collected to see the

level of understanding and application of behaviors that are in line with the cultural values of University X. Analysis of the collected data was carried out using leveling categories. Leveling began with the addition of all items then divided by the number of items in each questionnaire so that the mean value was obtained. The mean value was then divided into four leveling categories to determine how the level of understanding and application of behavior was in accordance with the core values of University X.

In the process of distributing questionnaires, to anticipate bias, the researchers conducted several strategies, such as 1) socializing the objectives and benefits of research before collecting data; 2) coordinating with one of the work units of University X that is relevant to the process of developing the core values of the university in terms of preparing items and distributing questionnaires; 3) preparing items in the form of favorable and unfavorable to avoid extreme answers.

4. RESEARCH RESULT AND DISCUSSION

The number of respondents participated in the study was 180 people or around 98% of the 184 questionnaires distributed to all units, bureaus, faculties, and institutional secretariats in University X.

The results of questionnaire relating to comprehension revealed that all research participants had knowledge related to the core values of the university. The level of knowledge was limited to recognizing each value and knowing the aspects contained in it. However, this still showed a gap at the level of comprehension as desired by management, that is, the ability to link core values to concrete behavior in the work environment. In other words, the value only reached the level of understanding but has not been internalized at the level of comprehension.

At the level of application of behavior, there was still a gap in the level of application of behavior in the work environment. The results of the study indicated that educational staff has not behaved according to the university's values consistently.

DISCUSSION

Based on the comparison of the results of the understanding and application of the core values of the university, it is found that basically education staff still does not understand the concept of core values, but in practice they have often applied behaviors that reflect core values in the work environment. On a personal level, this finding is good because each behavior of core value derivative is a constructive behavior that can support the performance of education staff in the unit. However, at the organizational / macro level, it is estimated that this condition has a less effective effect in the long term, such as lack of achievement of goals organization. The ignorance of staff regarding the behaviors expected by management makes the staff has no guidance and step on how to behave, where one of the roles of organizational culture is to be a guide to behavior in the work environment. Therefore, there should be a system that functions to remind employees as well as a means of monitoring and maintenance related to the right and expected behaviors in the work environment of University X.

Based on the position levels of the education staff, both managerial and non-managerial levels are in fact at the same level of understanding the core value, namely having knowledge and understanding regarding the definition and aspects of each value. However, the two groups still have difficulty in translating each value into real work behavior to be applied in the daily work environment. The research findings show that there is no difference in the level of managerial and non-managerial understanding. This is quite interesting because according to Schein (2004), leaders should have a better level of understanding than subordinates because leaders have influence on their subordinates in maintaining and building culture as a source of beliefs and values in

moving the group.

These findings bring researchers into two major issues that are expected to influence the results of this study. The first is leadership issue, where the leadership functions have not been effective. If it is associated with the employee perceptions of the effectiveness of socialization, it is very likely that one of the causes of unfavorable socialization of core values is because there is still no competent leader who can act as a role model and culture ambassador for the core values of KUPP. It is in line with a survey conducted by Yusuf (2018) that the biggest key factor in the development of organizational culture is the existence of leaders who are committed and engaged to corporate culture or values. A leader is the person in charge, initiator, driver and main controller of the development of a functional corporate culture of a corporation.

The second is career path issue. Indeed, the career process of an employee follows a systematic and professional career path. It means that the career starts from the staff level (the lowest), supervisor, management assistant to managerial level (higher). But in University X, especially for education staff, there is no mature and professional career path. As a result, a boss (managerial level) at any time can become a staff or subordinate and vice versa. According to Yusuf (2018), organizational culture is not merely socialized, communicated, and ritualized, but it requires a management role through fair, objective and transparent systems and policies to answer various needs, wants and interests (interest) of the employees, such as remuneration systems, career systems, performance appraisal systems, competency development systems, fair industrial relations patterns, and a balanced system of reward and punishment. These systems need to be built to ensure that companies have a clear, fair and objective cultural mechanism to reward those who are engaged and provide proportional actions to those who are "not engaged" in organizational cultural values.

5. CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that there is a gap in the level of internalization of organizational culture in the education staff of University X. Both the level of understanding and the level of application of the behavior of each core value are not yet at the level expected by management. These results indicate that improvements are still needed at various levels related to the strengthening of university values. Improvement can be in the form of additional variations in methods of socialization and content strengthening one of the core values.

Improvement that includes various levels in an effort to strengthen university values is a strategic step to achieve organizational goals, one of which is the realization of the principles of GCG. The implementation of the GCG principle is expected to facilitate anti-fraud systems in the work environment.

SUGGESTION

The scope of the university does not only consist of education staff, but also educators and students. For further research, cultural audit can be carried out on two other university elements in order to get a description of the level of internalization of culture through university values that are more holistic and comprehensive. For the next similar study can use mixed method, where after obtaining quantitative results, then conducting interviews and focus group discussions (FGD) with several education staff (each level and unit) to get a more complete picture of the cultural values of University X, or in other words combining various methods of data collection (questionnaire, interview and observation).

Recommendations for organizations can be done at several levels, for example the system level in the form of system recommendations both directly to organizational culture and other work system levels that can support the strengthening / planting of organizational

culture. And the work unit level can be directed at leadership themes, while the staff level can be directed to personal growth efforts. At the system level, for example in the career planning system in University X, it can be addressed to become a more mature and professional career path to assist the process of internalizing organizational cultural values.

Organizational culture is closely related to the concept of leadership. This research can bring insight to examine the types of leadership that exist in University X, from its relationship with both the actual culture and descriptive research on the actual type of leadership. The results of the study can later be used for the need of management change and choosing certain types of leadership to create the desired organizational culture.

As a form of follow-up from the results of the research, the researchers have made an intervention program that can be utilized to minimize the gap between the actual and the ideal organizational culture. The design of the intervention program is in the form of graphic booklet / info that emphasizes the behavioral level through the process of operating core values. This list of behaviors is be divided into expected and unexpected behavior (Do's & Don't) which refers to the derivative of each core value. It is expected that the results of this study can sharpen information related to the socialization methods that have been done before.

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