

UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF BANKERS'
COLLABORATIVE ACTIONS
ON MONEY LAUNDERING
IN INDONESIA**

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ABSTRACT

This study examines the attitudes and behaviours of Indonesian bankers towards money laundering. It demonstrates that Indonesian bankers collaborate with demanding money laundering to improve the performance of their banks. The Indonesian bankers facilitate the money laundering actors to deposit or place its fund in the banks. Furthermore, this research supports the Indonesian bankers as money laundering collaborators with investigations of their role base, ethical dilemma, and intellectual opportunism. Hence, this study explains the money laundering's collaborative phenomena through the Fraud Diamond Theory supported by the love of money, work environment, and organizational culture, which positively influence bankers' joint actions on money laundering. This study presents uniqueness with the following critical arguments. First, this study develops the attitudes and behaviours of money laundering bankers as joint venture partners, emphasizing not as actors. It argues that bankers, with their employment domain, make it easier for money laundering actors to place funds in banks on an ongoing basis. Second, it extends most of the previous research that understands the money laundering banker phenomenon from the Fraud Diamond Theory, collaboration theory, ethical dilemmas, and intellectual opportunism. Averagely, it broadens the attitudes and behaviours of money laundering bankers, integrating those theories and concepts to become the unified perspective of the study. Third, its model design explores the attitudes and actions of money laundering bankers. This study model gains significant explanatory power by considering the fraud triangle, which replaces diamond fraud and organizational breadth. Moreover, this study presents intellectual opportunism to accommodate the love of money, work environment, and corporate culture. Fourth, this study demonstrates the latter uniqueness, explaining that Islamic Shariah banks tend to run money laundering collaborators and conventional banks. Thus, it supports the money laundering tendency of these attitudes and behaviours, although Islamic ethics emphasizes. This research uses quantitative methods with questionnaires as a tool for the survey. The subjects used in the study were the thirty largest banks in Indonesia (Conventional Banks and Sharia Banks). The study has sent questionnaires to bank officers with 473 that can be processed. Finally, SEM-PLS used for data analysis and test of hypothesis. Fraud diamond factors react to a positive effect on money laundering. On the other hand, this study demonstrates that bankers are possibly involved in money laundering activities through collaborative work as a professional job. Furthermore, love of money, work environment, and organizational culture strengthen the relationship between fraud diamond theory and money laundering. This study adds to the regulatory understanding of contingent perspectives between FDT and bank performance. First, this research infers that Indonesian bankers tendentiously collaborate with money laundering actors. Furthermore, it demonstrates that bankers are required to boost bank performance by lowering the expenses of deposited money compared to conventional ones. Second, this research concludes that the bankers' attitudes and behaviours face ethical dilemmas about whether they should conduct collaborative money laundering or not. Nevertheless, this study shows that business environments and cultures accentuate Indonesian bankers to do money laundering as collaborators permissively.

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