

HOLISTIC JUSTICE: A PROPOSED COMPREHENSIVE JUSTICE APPROACH TO PREVENT FRAUD

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ABSTRACT

This study presents the exploration organizational justice concept more comprehensively by including retributive justice. The ACFE survey during 2008-2012 and the 2016 ACFE Indonesia survey showed that there was not much law enforcement against perpetrators of fraud or corruption. This does not produce a deterrent effect because there is an injustice in punishment. Furthermore, management science research shows the concept of organizational justice, but the dimensions discussed are justice related to reward. Though management research states that injustices in rewards encourage WDB, CWB, or fraud as reciprocal due to anger or revenge. Through this normative research approach, for the perspective of fraud prevention, organizational justice should include justice in punishment known as retributive justice. Therefore, it can be concluded that building fraud prevention requires holistic justice, which is an extension of organizational justice by including retributive justice.

Keywords: fraud prevention, organizational justice, retributive justice, holistic justice

1. INTRODUCTION

McClurg and Butler discuss asset theft or embezzlement at work by specifying two major factors that are the cause of asset theft or embezzlement (McClurg and Butler, 2006). Both of these factors are individual factors and situational factors. Situational factors are closely with the work environment. McClurg and Butler proposed a

conceptual framework about asset theft or embezzlement by including several dimensions, one of which was inequity. Inequities can be in the form of pay inequity, namely the perception of injustice in remuneration or distribution of remuneration and other facilities (reward) and other inequities in the form of injustices other than rewards (McClurg and Butler, 2006). Previously Greenberg also linked theft by employees to injustices within the organization. Greenberg states that theft of organizational assets by employees is due to injustices in paying wages. Theft of this asset is a hidden cost that must be borne by the organization (Greenberg, 1990a).

There are many predictors of workplace deviance, but one of the predictors who always get strong support for various researches is the existence of injustice (Michel and Hargis, 2017). Management science research related to workplace deviance caused by the absence of organizational justice focuses on justice in the field of reward (Khan et al., 2013; Ogungbamila, 2017). Fraud or corruption research from the perspective of employees can be traced to the injustices felt in the distribution of work-related benefits (Ogungbamila, 2017). Injustice makes sadness, disappointment, or anger towards psychological well-being which can be a trigger for workplace deviance behavior in the form of expectations for revenge and justification for deviations (Mingzheng et al., 2014; Ogungbamila, 2017; Wu et al., 2016; Zribi and Souai, 2013).

On the other hand, injustice also exists in law enforcement against the WDB. Injustice in law enforcement such as establishing sanctions or penalties for employees who conduct WDB actually encourages the occurrence and rise of WDB or fraud (ACFE, 2017). The results of fraud surveys in Indonesia in 2016 conducted by ACFE Indonesia showed that the majority of fraud perpetrators were sentenced lower than demands from public prosecutors (79%) or even released (3%). This is one of the reasons why corruption in Indonesia is difficult to eradicate or decrease in rank (ACFE-IC, 2016). The survey conducted three times by the ACFE in 2008, 2010 and 2012 reported that around 82% of the suspects were not given sanctions and were not even dismissed (Priantara, 2013). The survey indicates retributive justice is still not effective. Justice in law enforcement is called retributive justice. Based on this explanation, according to our belief, the concept of organizational justice must be built comprehensively (holistically).

Unfortunately, management science studies on organizational justice are dominated by injustices in remuneration or distribution of remuneration and other facilities (reward). As a renewal, this study discusses and explores the concept of organizational justice more comprehensively by including justice in the field of punishment known as retributive justice. We believe the dimension of justice must be complete because justice in the field of punishment is as important as justice in the field of reward. Reward and punishment are two sides that always exist in every organization. The concept of organizational justice must include retributive justice so that organizational justice is defined as holistic organizational justice or holistic justice. According to the Indonesian dictionary, holistic is a way of approaching a problem or symptom by looking at the problem or symptom as a whole. Incorporating justice for punishment into the concept of organizational justice makes the concept of holistic justice a unified whole.

The rest of this article will discuss about literature review in section II. Section III will discuss about methodology. Section IV will discuss about result and discussion, and Section V is close which are conclusion and recommendation.

2.LITERATURE REVIEW

This research stems from the existence of organizational justice theory which explains that justice is a perception that is built by subordinates to their superiors and organizations where they work in the reward determination process. In management science research, the concept of organizational justice has gained an established place. This justice includes distributive justice concerning the determination and allocation of rewards, procedural justice concerning procedures for awarding rewards, interactional justice related to interpersonal relationships and information between superiors and subordinates (Colquitt, 2001; Greenberg, 1987).

Justice should not only apply when determining and allocating rewards because rewards are always paired with punishment. In fact, the effectiveness of eradicating fraud especially in the pillar of prevention of fraud is highly dependent on anti-fraud governance that is clear and firm against fraud (ACFE, 2017). Unclear and indecisiveness in the provisions of punishment along with the determination process will trigger permissive and hypocritical behavior. The result is the main goal of anti fraud to build a deterrent effect (Albrecht et al., 2008; Paternoster, 2010) is not achieved. Based on these explanations, according to the researcher, a more comprehensive concept of organizational justice is needed. For this reason, normative research is carried out.

3.NORMATIVE RESEARCH METHOD: AN OVERVIEW

This research includes normative research that seeks to find theories and patterns that can show the existence of the concept of holistic justice by improving the existing concept of organizational justice. The benefits of normative research are to provide guidance that can be a norm or a basis for building concepts (Christiani, 2016; Diantha, 2015) or without having to obtain empirical evidence (Budiarto and Murtanto, 1999). Normative research is also used to improve existing concepts (Mozes, 1992; Viviane, 2001). The normative research approach is to use secondary data obtained from library studies on sciencedirect, elsevier, proquest, and ebsco. The literature is collected and analyzed to look for the substance characteristics and differences in each type of justice that shapes organizational justice. The form of analysis applied is to use deductive normative logic based on the literature that has been obtained in order to draw syllogistic conclusions qualitatively (Diantha, 2015). This research is expected to be the basis for further research or empirical research on holistic justice.

4.RESULT AND DISCUSSION

The impact of deviations made by employees is extraordinary. Organizational deviations carried out voluntarily or consciously by employees against the internal provisions of an organization can threaten or impact the welfare of the organization (Robinson and Bennett, 1995). The ACFE in a periodic survey every two years reports losses because occupational fraud reaches 5% of the gross income of an organization (ACFE, 2017). If the measurement of loss is done on workplace deviance, it will certainly be greater because workplace deviance has a wider scope than fraud. Workplace deviance is not only in the form of fraud or theft but also includes laziness, vandalism, absenteeism, incivility, sabotage or immodesty towards colleagues (Michel and Hargis, 2017). Workplace deviance is estimated to be pervasive because it is estimated that

75% of employees engage in workplace deviance in organizations (Furnham and Taylor, 2004).

Anti-fraud practitioners and forensic accounting state that theft or asset embezzlement is one type of fraud (ACFE, 2017). Whereas in the field of management science, asset theft or embezzlement is one form of workplace deviance behavior (WDB) in the form of deviance property (Robinson and Bennett, 1995). There have been several management science studies that link organizational justice with fraud (Rae and Subramaniam, 2008), with WDB (Henle, 2005) and counter productive work behavior (CWB) (Wu et al., 2016). This means that organizational justice is a very important concept to prevent fraud, WDB or CWB.

In addition, management science research found that organizational justice provides extraordinary outcomes for organizations. It has an impact on employee benefit satisfaction and employee attitude (Tremblay et al., 2000), employee trust (Farahbod et al., 2012), employee commitment (Kumar et al., 2009), emotional well-being (Cassar and Buttigieg, 2015; De Cremer, 2005), engagement (Ghosh et al., 2014; Park et al., 2016), job satisfaction (Elamin and Tlaiss, 2015; Kumar et al., 2009; Palaiologos et al., 2011; Williams et al., 2002; Wu et al., 2016), Organizational Citizenship Behavior or OCB (Chen and Jin, 2014; Erkutlu, 2011; Johnson et al., 2009; Mohammad et al., 2010; Rangriz, 2012; Srivalli et al., 2017; Yilmaz and Tasdan, 2009) and employee performance (Ali, 2016).

5. ORGANIZATIONAL JUSTICE

Greenberg was the first to spark the concept and taxonomy of organizational justice (Greenberg, 1987). Organizational justice is the perception of employees or members of the organization of the behavior, decisions and actions of the management of the organization at work and how the impact or reaction in the form of attitudes and behavior of employees for organizational justice (Cassar and Buttigieg, 2015; Ledimo, 2015; Wu et al., 2016; Yilmaz and Tasdan, 2009).

The concept of organizational justice evolved since the equity theory (Adams, 1965) which became the basis of distributive justice and the theory of procedural justice (Thibaut and Walker, 1975) which became Leventhal procedural justice (Leventhal, 1980). Bies & Moag separated into procedural justice and interactional justice (Bies and Moag, 1986). In the end interactional justice was developed by Jerald Greenberg into interpersonal justice and informational justice (Park et al., 2016; Rego et al., 2009).

Colquitt uses four types of organizational justice, namely distributive justice, procedural justice, interpersonal justice and informational justice (Cassar and Buttigieg, 2015; Colquitt, 2001; Rangriz, 2012; Wu et al., 2016). Colquitt agrees that organizational justice begins with perceptions of justice over the distribution and allocation of results or what is referred to as distributive justice and fairness or justice in the procedures and processes used to allocate and distribute results or what is referred to as procedural justice (Mohammad et al., 2010). Colquitt states that the four types of organizational justice are correlated but they have their own differences and different effects (Rangriz, 2012). The four types of justice, namely distributive, procedural, informational and interpersonal justice are significant predictors of organizational justice as a whole (Schminke et al., 2015).

Using the Greenberg taxonomy, there are four different types of justice that have different meanings that are used to analyze organizational justice related to reward,

namely distributive, procedural, interpersonal, and informational justice (Ghosh et al., 2014). Interpersonal and informational justice is the development of interactional justice. Further development, the researchers elaborated on certain types of justice, so that they become five types of justice, namely distributive justice into distributive justice related to reward and distributive justice related to tasks (Rego et al., 2009) or into six types of justice in the event of labor disputes (Nabatchi et al., 2007). But the more dominant concept of organizational justice is in three types of justice (distributive, procedural and interactional justice) or four types of justice (distributive, procedural, informational and interpersonal justice).

Greenberg (1987) divides the taxonomy of organizational justice into structural aspects, namely distributive and procedural justice. Procedural justice is broken down into procedural justice itself and justice related to the organization and social aspects is called interactional justice. Based on these two aspects, there are two reactions to injustice, namely the reaction to persons and reactions to the organization. Procedural and distributive injustice affects organizations and interactional injustice concerns their superiors (Silva and Caetano, 2014).

The researchers agree that organizational justice is essentially examining perceptions of reasonableness or fairness in work relations (Cassar and Buttigieg, 2015; Ghosh et al., 2014; Mohammad et al., 2010; Wu et al., 2016). Organizational justice is to understand why some employees feel that they are getting justice on an event and why some do not feel that they are getting justice and how the consequences of the perception of injustice. Because it is a perception, organizational justice is a subjective concept concerning what is deemed appropriate according to employees and not objective reality. The consequence is that in employment relations, justice will affect the behavior and attitudes of employees, both negative and positive.

Moorman (1991) cites Greenberg (1990) argues that if employees are treated fairly and equitably, it will affect many variables which are good outcomes for the organization. It is appropriate for organizational justice to be called a basic virtue within the organization (Mohammad et al., 2010). Greenberg suggested that organizational justice be strengthened because it can reduce work stress. Injustice will create negative emotions such as fatigue, lack of enthusiasm, anxiety, and depression (Park et al., 2016). The perception of organizational justice has a positive relationship with OCB, preventing employees from getting angry, hurt, revenge and justifying taking revenge on the organization (Nabatchi et al., 2007).

Social-exchange theory (Blau, 1964) describes retaliation or reciprocity by employees as a result of perceptions of injustice. The essence of social exchange theory is that human relations cannot be separated from the exchange of resources. Resource exchange occurs in economic and social forms. Economic exchanges include remuneration (Johnson et al., 2009). Reciprocal in social-exchange theory states that if a person is treated well then that person will reciprocate well, on the contrary if he is treated negatively then he will respond negatively. Research indicates procedural and distributive justice is strongly related to reactions to organizations while interactional justice relates to superiors. These reciprocal forms (Silva and Caetano, 2014) become behaviors such as OCB or attitudes such as retaliation against the organization. Employees will switch from social exchange to economic aspects if they get injustice and employees who feel experiencing injustice tend to be involved in deviant behavior or work deviant than those who feel justice (Organ, 1988).

Greenberg defines organizational justice as a concept that describes employee perceptions of the conditions in which they are treated in the organization and how these perceptions affect the output of their work. There are seven principles of organizational justice that are essential to foster a perception of justice (Yilmaz and Tasdan, 2009). One of them is the behavior of superiors' consistency. The inconsistency in the behavior of superiors not only leads to injustice but fosters organizational hypocrites. If employees often feel the absence of justice because there is no consistency in the behavior of superiors, it will cause negative cognitive effects on the organization such as being hypocritical, which then becomes a rationalization of fraud.

6.DISTRIBUTIVE JUSTICE

Distributive justice focuses on the perception of reasonableness or fairness in allocating or distributing a reward (Lee, 2001; Nabatchi et al., 2007) because in reality it cannot and is also unfair that everyone is given the same share of results. Distributive justice concerns the perception of employees whether the rewards they receive are fair based on the rules of justice according to their perceptions. Distributive justice is actually not just about the distribution or distribution of rewards, but rather about organizational resources, promotion and other forms (Johnson et al., 2009).

Adams (1965) became the pioneer of the theory of distributive justice with his equity theory, that an employee would consider the reward he received fairly by the way the employee evaluated the contribution he had given relative to the output he received and by comparing it to the standard reference, including comparing with others who according to their perceptions have an equal contribution (years of service, skills, experience) with him (Ledimo, 2015; Mohammad et al., 2010; Nabatchi et al., 2007; Williams et al., 2002). In accordance with Adam's (1965) equity theory, the issue of reward or profit sharing, or expansion of reward distribution, is not something absolute but whether the allocation and distribution of rewards and other decisions are felt to be fair or not (Kumar et al., 2009). Such distributive injustice will cause a hypocritical atmosphere (Thomas W et al., 2005) that encourage employees to stop work (T. W Philippe and Koehler, 2004).

Because the focus is on the distribution of output, distributive justice has a reactive impact on cognitive, affective and behavioral, so that when reward distribution is considered unfair it can provoke emotions such as anger, disrupt input and output for both himself and others, and primarily affect behavior such as performance, withdrawing or procrastinating work. So according to Adams' equity theory, employee performance can go up or down depending on the perception of distributive justice. If there is no balance between the input-output ratio and the reference, then according to equity theory Adams (1965) will lead to the perception of injustice. Individuals who feel unfairly treated will try to restore injustice through negative behavior and attitudes (Chan, 2000; Greenberg, 1990b; Ledimo, 2015). Reactions improve unpleasant forms of injustice to regain justice classified as behavioral reactions, namely changing performance or psychological, changing perceptions of work output (Greenberg, 1990b).

7.PROCEDURAL JUSTICE

In allocating reward distributions and other resources, care must be taken for the existence of compensation regulations that are based on merit and ethical behavior, but

their implementation provides opportunities for violations of norms that cause hypocrisy (Thomas W. Philippe & Koehler, 2005). The reward system should be given in order to encourage and reinforce the expected positive behavior and prevent undesirable behavior, rather than causing inconsistencies in its implementation that lead to hypocritical perceptions (Thomas W et al., 2005).

In the process of reward distribution often extrinsic factors are more concerned than intrinsic factors. However, ideal intrinsic value is only lip decoration or lip service (Sheldon and Krieger, 2014). When rewards are based on extrinsic illusions, individuals or organizations will prioritize extrinsic achievements which may not be fundamental or merely artificial. If the practice of evaluating performance allows an individual to get a reputation that is not based on substantial action, or a practice that encourages and respects the work that is artificial rather than "moral" results, the reward process will cause cognitive and hypocritical actions. If these "isolated" actions, which cover up and deal with substantial actions, are given rewards, the individual will exploit them and become hypocritical characters or habits and deceptive character or habits (McKinnon, 2005).

Leventhal (1980) became the pioneer of procedural justice theory by adopting justice in law enforcement procedures initiated by Thibault and Walker (1975) into management science to explain procedural justice other than distributive justice (Kumar et al., 2009). Procedural justice is related to employee perceptions of the fairness of rules and procedures that govern the process and function of determining the allocation and distribution of an output or reward. Procedural justice is not related to outcome allocation decisions, but is how procedures used to make decisions are carried out consistently, ethically, accurately, unbiased or objectively and represent interests equally (Ledimo, 2015). Employees who are satisfied with procedural justice will instead be more willing to accept the results of a procedure and more easily form a positive attitude about the organization (Nabatchi et al., 2007).

Procedural justice is related to the method used to reach the end or result, procedural justice is how a decision is made and the reasonableness process (Palaiologos et al., 2011). Procedural justice exists if procedures governing the procedure for the allocation and distribution of rewards and organizational resources have included normative principles (Ledimo, 2015; Mohammad et al., 2010), affected individuals must feel that the procedures and processes used to make decisions are ethical, accurate, unbiased or objective (Rego et al., 2009). Procedural justice applies everywhere (Lind and Tyler, 1988), regardless of the diversity of culture and society (Kumar et al., 2009).

8.INTERACTIONAL JUSTICE

Procedural justice is felt if there is reasonable treatment by superiors (Williams et al., 2002). Fair treatment by superiors is called interactional justice. Interactional justice is defined by Bies and Moag (1986) as the quality of interpersonal treatment felt during the implementation of formal procedures or explanation of organizational procedures (Lee, 2001; Park et al., 2016). Based on the characteristics of interactional justice, many researchers separate this justice into informational justice and interpersonal justice. Although it seems overlapping, each justice has a different perceptual impact (Nabatchi et al., 2007). Therefore, interactional justice gains its legitimacy.

Interactional justice is the development of procedural justice because of the fact that employees complain of unfair treatment whose focus is interpersonal issues rather than structural factors (Greenberg, 1990b). Interactional justice is defined as fairness perceived in interpersonal relations and treatment between subordinates and superiors during the implementation of formal processes and procedures (procedural justice). Interactional justice contains sensitivity, respect, politeness. Sensitivity can make unpleasant results or rewards even considered to have fulfilled a sense of justice (Greenberg, 1990b). Interactional justice is private, namely one-on-one, so that employees will feel this justice from their managers or leaders which includes the integrity and accuracy of the information conveyed by superiors and the respect and recognition shown by superiors to subordinates. Based on these arguments it is clear that interactional justice is built on the basis of social exchange theory (Ledimo, 2015; Mohammad et al., 2010) that cares about human aspects (Yilmaz and Tasdan, 2009).

Interactional justice is thus a manifestation of good attention to interpersonal treatment and communication. This interactional justice is clearly the duty of authority holders and decision makers (Palaiologos et al., 2011). Thus, interactional justice is a manifestation of the quality of interindividual relationships in organizations, especially in the application of formal organizational procedures (Mohammad et al., 2010).

Interactional justice is further developed into interpersonal justice and informational justice by Bies and Moag (1986) because of procedural justice c.q. interactional justice is influenced by two factors, namely the treatment between personnel received from decision makers and the adequacy of explanations of decision making procedures, including the provision of polite explanation of the results of the evaluation of performance and rewards. So it is clear that not only procedural justice determines perceptions of distributive justice but informational and interpersonal justice can influence procedural justice and distributive justice (Greenberg, 1990b).

9. INFORMATIONAL JUSTICE

Informational justice focuses on providing reasonable explanations for decision-making procedures related to resource allocation and reward determination. Lee (2001) emphasizes the important role of communication to shape perceptions of procedural justice. Higher procedural justice is felt when employees receive feedback, voices or inputs are heard, there is respect and attention in the exchange of information (Lee, 2001). In organizational life, group members are aware of different treatments from superiors to fellow subordinates who can be indicated as the use of double or hypocritical standards to different employees (Lee, 2001). This means that the communication process has a crucial effect on the perception of organizational justice. Accurate information, among others, is to build positive perspectives on justice which ultimately results in positive attitudes (Saruhan, 2014).

Honest and open two-way communication throughout the organization is important. So in some companies, to accommodate effective communication, a togetherness forum is created that enables information exchange, freedom to ask questions and feedback to management. If the togetherness forum is held as is and with commitment, it will reduce rumors, complain, distrust. Feedback to management provides management with information about employees' needs or complaints. Trust of subordinates to superiors is important (McManus and Mosca, 2015) primarily to build employee engagement.

Informational justice focuses on providing reasonable explanations for decision-making procedures. An explanation of the procedures used to determine a resource allocation decision and reward reinforces perceptions of informational justice. But for an explanation or communication to be felt reasonable, there are requirements (Nabatchi et al., 2007), namely: explanation must be carried out sincerely, honestly and communicated without a veiled motive, based on information that is logically relevant, and determined with legitimacy. Reasonable information must be honest and have adequate justification. This means that the information submitted must be comprehensive, reasonable, honest, timely and there is nothing to hide or should be frank to all recipients (Ledimo, 2015).

10. INTERPERSONAL JUSTICE

Distributive justice provides economic benefits while procedural justice is analogous to socio-emotional benefits. The last decade of evidence shows that organizational justice is better understood by integrating procedural justice with distributive justice, where organizational justice is felt to be effective when communication and relations between subordinates and superiors work well. The direct impact of distributive justice on individuals is influenced by procedural justice whose execution is through information and relations between subordinates of superiors. The impact of procedural injustice is very strong when there is an unpleasant outcome.

In the group-value model (Lind and Tyler, 1988) employees use procedural justice as information about their social position within the organization. If the procedure is considered fair, employees will feel valued and feel that they are given a good assessment by the organization and the authorities. Consequently, he will trust authority holders and organizations for long-term relationships, and lead to positive motivation for the organization. If a person receives a negative result, he tries to accept the situation and then seeks additional information. If he knows the unfair procedure used, trust will decrease and employees will show low commitment and cooperation. But if the boss in procedural justice is able to communicate relevant information for his social position and build trust in the relations between the two parties, then employees who focus on social relations and mutual trust will see the interactive impact of procedural and distributive justice (De Cremer, 2005).

11. THE MEANING AND URGENCY OF HOLISTIC ORGANIZATIONAL JUSTICE

The researchers agree with the arguments of Rae and Subramaniam (2008) that perceptions of organizational justice are related to motivation and rationalization of fraud. Organizational justice, especially distributive justice and procedural justice has implications for attitudes and behavior because the concept of justice is a psychological concept that concerns the perception of whether an individual gets justice or not. If organizational justice is considered low, the potential for dissatisfaction, anger, and hurt arises, which in turn creates a WDB or CWB where fraud is a form of WDB or CWB for the organization. Therefore, a poor perception of organizational justice increases the risk of fraud as a form of revenge and revenge is a form of rationalization of fraud. Greenberg's empirical findings are in line with the above explanation, namely there are significant and negative correlations between organizational justice perceptions and fraud behavior (Rae and Subramaniam, 2008).

In the previous explanation it can be concluded that organizational justice will foster healthy, beneficial attitudes, cognitive and behaviors for the organization. Individuals who feel justice in organizations show and adopt better behavior (Elamin and Tlaiss, 2015), or individuals who feel justice in their organizations are happy to engage with pro-social behavior for their organizations (Nabatchi et al., 2007; Shin et al., 2015), or organizational justice affects individual attitudes toward their work (Park et al., 2016) or if employees feel treated fairly there is a positive increase in attitudes and behavior (Ali, 2016; Silva and Caetano, 2014). Conversely, negative conditions occur, if injustice is felt, it is not possible to take revenge or other bad actions that harm the organization.

Preventing employees from releasing negative feelings and revenge because of the perception of injustice requires monitoring and control that is integrated in organizational structures and processes (Fortin and Fellenz, 2008). In discussing management science, borrowing social exchange theory and reciprocal action, anger, hurt or revenge because they feel experiencing injustice will lead to CWB or WDB (Ariani, 2013; Wu et al., 2016). The extreme form of CWB or WDB is theft or sabotage which is actually fraud and illegal act.

Research on why someone commits fraud, whether in the form of the theory of fraud triangle (Albrecht et al., 2008; Cressey, 1953) or diamond fraud (Wolfe and Hermanson, 2004), always states that there is motivation or pressure as a driver of fraud. However, fraud becomes manifest when the perpetrator has a rationalization or justification for his actions (Albrecht et al., 2008; Cressey, 1953; Dorminey et al., 2012; Wolfe and Hermanson, 2004). Injustice based on the description above can be a driver of fraud and at the same time become a rationale for fraud.

Therefore, researcher's confidence based on the results of previous studies, led to the presumption that ethical-based organizational justice without hypocritical factors can reduce rationalization of fraud. The absence of ethics and organizational value in any consideration of decision making and lack of critical reflection will bring hypocrisy in organizational justice. This means that organizational justice must be built on the foundation of ethics and organizational value (Fortin and Fellenz, 2008). In addition, organizational justice that can encourage fraud and at the same time be a justification for fraudulent actions must be seen as a whole. Anti fraud practitioners always want a deterrent effect in building fraud prevention (ACFE, 2017). This requires the existence of organizational justice in the determination and process of punishing sanctions (ACFE 2017). Effective punishment sanctions must be based on ethics, namely avoiding the occurrence of hypocrisy.

Three or four types of organizational justice focus on fairness or fairness of the distribution or allocation of rights, resources and justice in processes, procedures, interpersonal relationships and clarity of information or communication during the determination of reward distribution. All types of organizational justice focus on reward, promotion, resources (He et al., 2014). Like rewards, the imposition of penalty sanctions should have justice. Though Colquitt (2001) and Greenberg (1987) in He et al. (2014) or Yilmaz and Tasdan (2009) emphasize justice in imposing sanctions by linking distributive justice to the determination of sanctions. The emphasis of organizational justice is to pay attention to the rules for making decisions in determining the distribution of rewards and penalties (Yilmaz and Tasdan, 2009). Yilmaz and Tasdan have begun to spark justice in punishment. This means distributive and retributive

justice and procedural justice are at the core of organizational justice. However, further developments in management science research, justice in punishment lacked emphasis.

The ideas presented by He et al (2014) and Yilmaz and Tasdan (2009) are more appropriately called retributive justice that is related to the application of sanctions to mistakes made by members of the organization. Actors of fraud in organizations should get sanctions commensurate with their actions. But the fact of injustice is often found in the imposition of sanctions for fraud. Injustice leads to cognitive dissonance in the form of discomfort due to conflicting attitudes, thoughts, and behavior because of inconsistencies in giving sanctions to the offender. The inconsistency that leads to injustice brings hypocritical situations and emotions that lead to rationalization of fraud. Sanctions imposed on the guilty person must be seen and felt fair. Retributive justice states that when someone commits fraud, the sanctions received by the perpetrator are punishments intended to repay the actions committed by the perpetrator. Thus, everyone who is guilty must be responsible for the behavior and consequently receive sanctions that are equal or proportional to the person's fault and not for other reasons (ACFE, 2017)

Retributive justice should be treated more as a consideration to decide the amount of punishment, Pelletier and Bligh (2008) also recommend to see from the side of third parties or other parties who always pay attention to consistency in enforcing retributive justice in the form of sanctions which are commensurate with violations. The results of the study show that strict and severe sanctions on ethics offenders have a positive influence on the results or output of the research respondents. The imposition of strict sanctions and administration will be considered by third parties in the organization and provide positive emotions (Pelletier and Bligh, 2008).

Holistic justice is an extension of organizational justice that has been developed by previous researchers, in particular the taxonomy of Greenberg (1987) which classifies four types of organizational justice, namely distributive justice, procedural justice, interpersonal justice and informational justice. Although the four types of justice are significant predictors of overall organizational justice (Schminke et al., 2015), researchers believe that holistic organizational justice must include retributive justice for anti-fraud perspective.

The findings of Pelletier and Bligh (2008) regarding the necessity for consistency show that determination of punishment also requires procedural justice. In the discussion of management science regarding procedural justice related to reward, it has been stated that the procedural justice of Thibaut and Walker (1975) adopted by Leventhal (1980) enters the domain of management and organizational behavior (Park et al., 2016; Rego et al., 2009). Therefore, procedural justice and its expansion, namely interpersonal justice and informational justice that has been associated with the determination of rewards, is also needed in the determination of punishment.

Comprehensive justice should be used to analyze fraud rationalization within the organization. The researchers labeled holistic justice because it included all types of justice with dimensions of reward and punishment. Reward also includes not only remuneration but involves justice in promotion, rotation, career development and allocation of resources. The holistic justice framework that the researchers formulated is presented in figure 1. below this. This research includes retributive justice in the determination of sanctions and penalties into organizational justice and broadening procedural justice used in establishing rewards into punishment processes.

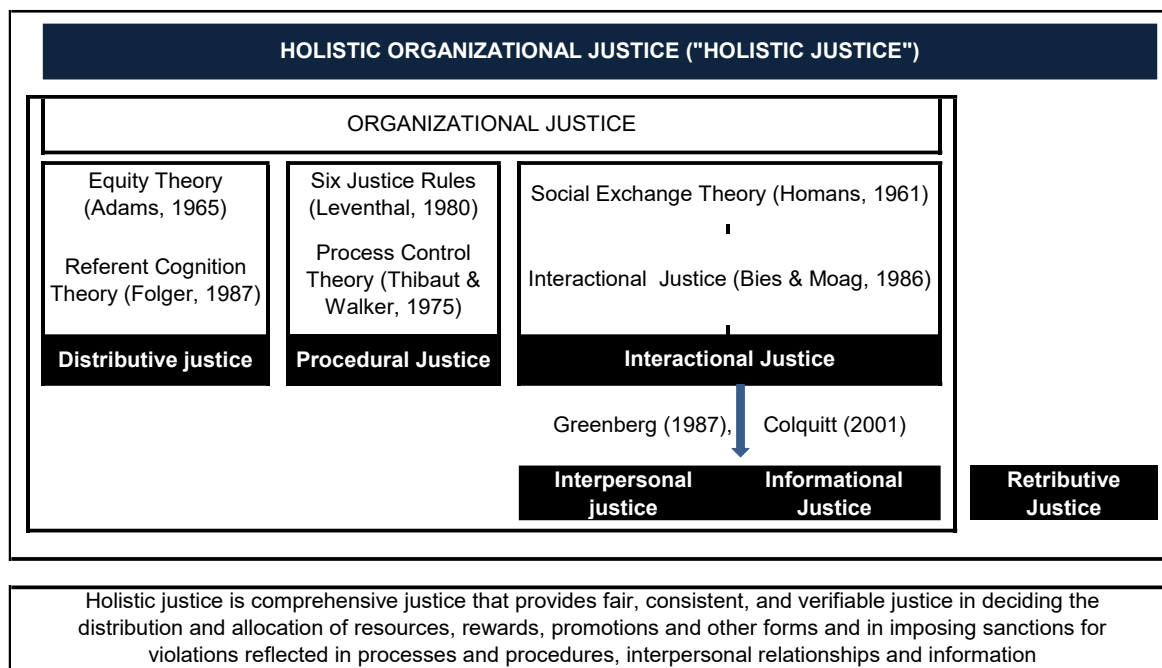


Figure 1: Formulation of Holistic Justice (Source: Greenberg, 1987; Colquitt, 2001)

The application of holistic justice framework requires policies and procedures that incorporate characteristics forming distributive, procedural, interactional and retributive justice. Whether justice is related to reward or related to punishment, organizations generally place it on human capital policies and procedures. However, these policies and procedures are felt to have fulfilled justice if the employer is able to implement policies and procedures, the process of communication and information as well as interpersonal relationships on the determination of reward or punishment honestly, consistently and fairly. The commitment of all management to implement holistic justice should be stated affirmatively in a written statement as the published tone at the top, and realized in its implementation as walk the talk. Evidence of walk the talk is the implementation of no tolerance for fraud, fast and decisive action against suspected fraud (Mangala and Kumari, 2015; Peltier-Rivest, 2018).

12. CONCLUSION AND RECOMMENDATION

In work relations in an organization, justice is called organizational justice. The concept of organizational justice discussed in management science focuses on justice in the field of reward. Injustice in the determination or allocation of rewards and their processes and procedures will lead to reciprocal actions from subordinates in the form of anger, revenge and other deviant behavior. Injustices felt by subordinates or other parties give rise to hypocritical and cognitive dissonance perceptions because of inconsistencies in the stipulation of rewards and processes and procedures. This hypocrite will trigger and rationalize reciprocal actions from subordinates in the form of anger, revenge and other deviant behaviors which are often referred to as WDB and CWB in the field of management. WDB and CWB for antifraud practitioners are fraudulent acts.

To get an effective deterrent effect, there must be law enforcement and fair sanctions. Justice at punishment is called retributive justice. Organizational justice that

includes retributive justice makes organizational justice more comprehensive. Researchers call it as holistic justice. The discussion of organizational justice in the context of fraud prevention or prevention of WDB and CWB as organizational behavior must be holistic justice. Like distributive justice, retributive justice also requires procedural justice, information and interpersonal justice. Justice in determining reward and justice in punishment must be attached to leadership or inherent in superiors because employers are the ones who carry out procedural consistency, information honesty, respect for subordinates. Failure to carry out holistic justice will lead to cognitive dissonance which eventually triggers and rationalizes fraud or WDB and CWB.

This new study is in the form of a literature review of previous research that leads to a logical relationship between holistic justice and fraud or WDB and CWB. Henceforth the logical relationship between holistic justice and fraud or WDB and CWB is in the form of a statement that holistic injustice can trigger and rationalize fraud or WDB and CWB. For further research, quantitative empirical research or qualitative research on holistic injustice needs to be done.

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CONFLICT OF INTEREST

The authors declare that there is no conflict of interest in this research.

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