

Anti-fraud Strategy in Tourism Destination Organizations: The Role of Leader Integrity, Ethical Leadership and Trust in the Leader

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ABSTRACT

Fraud has enormous negative consequences, not only for enterprises but also for stakeholders and society. The study of fraud prevention has increased in importance in determining how businesses' strategies can prevent fraud and what factors influence the effectiveness of fraud prevention strategies. Leaders in an organization that manages tourist attractions have a critical role in preventing fraud. Built on the social exchange theory, this research investigates the relationship between leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy in the tourism sector in Madura Island, Indonesia. Multi-source data was collected from 193 group members aware of the importance of the tourism sector (Tourism Community) in 4 tourism destination organizations across Madura Island, Indonesia. Findings from structural equation modeling confirmed that leader integrity, ethical leadership, and trust in the leader all contribute to a successful anti-fraud strategy. It has also been proven that there is a positive association between leader integrity and ethical leadership, as well as a connection between leader integrity, ethical leadership, and trust in the leader. This research contributes significantly to tourist management by presenting a theoretical model that connects leadership and anti-fraud strategy elements.

KEY WORDS: Anti-Fraud; Strategy; Ethical, Integrity; Leadership; Tourism

INTRODUCTION

Indonesia has a rich and diverse natural landscape and assets that make Indonesia an attractive destination for tourists. Indonesia's tourism sector placed 40th among countries with competitive and attractive tourist destinations in 2019, according to the World Economic Forum's Travel and Tourism Competitiveness Index (TTCI), with an average score of 4.3

(World Economic Forum, 2019). The Ministry of Tourism and Creative Economy (2020) has pointed out that Indonesia's tourism sector faces various obstacles and challenges that can hinder sustainable development, including tourism management complexity, a weak tourism destination management scheme, and issues in developing destination management systems. This has been compounded by COVID-19, which has led the tourist sector to deteriorate even further. Thus, to achieve the goal of sustainable tourism development, improve the quality of management, increase the volume of visits, and improve the benefits of the local community, management in tourism destinations must develop a high quality of tourism destination management.

Madura is one of the tourist attractions in Indonesia since it is one of the islands with incredible natural resources. The island of Madura's distinctiveness and local wisdom can allow the Madurese community to boost its economic potential and well-being. The growth of tourism in the four districts of Madura is considerable. In 2018, 2,441,433 tourists visited Bangkalan Regency; in 2019, there were 2,538,237, representing a 3.97 percent growth (Department of Culture and Tourism Bangkalan, 2021). Meanwhile, the number of tourists in the Sampang Regency increased by 40.98 percent from 358,868 in 2018 to 500,290 in 2019 (Departement of Culture and Tourism Sampang, 2021). Pamekasan Regency's tourist visitors climbed by 15.02 percent, from 158,084 in 2018 to 181,821 in 2019 (Departement of Culture and Tourism Pamekasan, 2021). The tourist rate in Sumenep Regency also increased by 2.68%, from 1,457,749 tourists in 2018 to 1,496,874 tourists in 2019 (Departement of

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Culture and Tourism Sumenep, 2021). The government and the Madurese community face numerous challenges in developing the tourism sector, including the possibility of fraud in tourism management.

Tourism is a multifaceted social and economic phenomenon incorporating visitors, local communities, and tourism management or organizations. Tourism has a variety of consequences for the economy, the environment, and the people who live in tourist sites. Tourism benefits rural areas by revitalizing local communities and improving citizens' quality of life (Nunkoo & Smith, 2014; Pulido-Fernández & Pulido-Fernández, 2019; Queiroz & Rastrollo-Horrillo, 2015). Tourism and development are sometimes viewed as completely contradictory issues. Tourism is supposed to benefit economic development for low-income people, generate jobs, and equalize the economy. However, the advantages of tourism are exploited by the local elite, the private sector, or even the government (Erb, 2015; Sharpley & Telfer, 2015). Ironically, (Erb, 2015) further points out that the tourist industry, which should be developed, has become a haven for the ruling elite to commit fraud or corruption. Therefore, it is understandable if (Duffy and Smith, 2004) believe that ethical issues in tourist management are critical to interpreting the relationship between tourism and development as a contradictory and ambiguous phenomenon.

Despite tourism's numerous benefits, the industry has been vulnerable to fraud. ACFE noted that in 2020, the global tourism industry suffered an average loss of \$114,000 due to fraud. Furthermore, in Indonesia, the hospitality and tourism sector was in 10th place as a sector that has suffered losses due to fraud compared to other industrial sectors (ACFE, 2020). A genuine case of tourism fraud is the Buleleng District Attorney's designation of eight state civil workers at the Buleleng Tourism Office as suspects in the case of alleged misappropriation of Rp 656 million in national economic recovery funds for tourism in Buleleng District in February 2021.

Madura's tourism sector has attempted to achieve sustainable development goals by establishing a fraud-free tourism destination organization. Preventing fraud is a challenge for tourism management organizations located on the island of Madura, which is subject to cultural values. Hence, applying the anti-fraud strategy in tourism destination management offers solutions to prevent fraud and achieve sustainable development. Tourism destinations encouraging sustainable tourism have a better chance of succeeding if they are well-managed, and employee fraud can be avoided. From the fraud prevention perspective, several previous research studies have attempted to determine which fraud prevention strategies are most effective. The integrity of the leader (Moorman et al., 2018; Palanski & Yammarino, 2009b; Peterson, 2004; Zahari et al., 2019; Zahari et al., 2021), ethical leadership (Brown & Treviño, 2006; den Hartog, 2015; Enwereuzor et al., 2020; Kaptein, 2008; Key, 1999; Shafer & Simmons, 2011; Yukl et al., 2013) Suh & Shim, 2020) and trust in the leader (Adekanmbi & Ukpere, 2020);(Engelbrecht et al., 2017; Kerse, 2021; Mantzaris & Pillay, 2017; Marien & Hooghe, 2011; Nguyen et al., 2019; Yousaf et al., 2016) are considered to be vital aspects in preventing fraud.

This research attempts to explain the relationship between leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy through social exchange theory. According to theorists, social exchange entails a series of interactions that result in roles and responsibilities (Cook & Rice, 2006; Emerson, 1976). The most crucial distinction is that social exchange implies indeterminate duties. Click or tap here to enter text. In social exchange theory, these connections are frequently considered reciprocal and depend on the activities of another individual (Blau, 1964 & Emerson, 1976). Social exchange theory also highlights that, under certain conditions, these interconnected interactions have the opportunity to create elevated relationships (Blau, 1964 & Emerson, 1976). For the anti-fraud strategy to be implemented effectively, it requires a good interaction between employees and leaders who have integrity, behave ethically, and can be trusted. Therefore, social



exchange theory can describe this study's relationship between leaders and followers.

In earlier research, more attention should be paid to the association between the leader's integrity, ethical leadership, trust in the leader, and the anti-fraud strategy. Previous research has only focused on the causal relationship between leader integrity, ethical leadership, and trust in leaders. Only a few studies attempted to study the impact of the leader's integrity, ethical leadership, and trust in the leader on the anti-fraud strategy in one particular setup. Researchers are asked to examine the relationship between ethical business practices and fraud (Murphy et al., 2012; Scheetz & Fogarty, 2019; Zuberi & Mzenzi, 2019). Hence, to fill this knowledge gap and broaden the theoretical implications, the current study attempted to integrate and examine the effects of leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy as a mechanism to prevent fraud. Furthermore, this study was conducted in the tourism sector, which needs more attention.

Our research adds to the existing fraud prevention literature in various ways. : (1) this study explores and provides a more insightful understanding of how leader integrity, ethical leadership, and trust in the leader can promote fraud prevention strategy in the tourism sector (2) this study utilizes social exchange theory to explain the process of how leader integrity and ethical leadership affect anti-fraud strategy through the mediation of trust in the leader, and (3) this study identifies the implications of this research which can help tourism sector to understand better and develop fundamental knowledge of leader integrity, ethical leadership and trust in the leader that can improve fraud prevention strategy.

Leader's Integrity and Ethical Leadership

Integrity, one of the most fundamental characteristics of moral values, may inspire a leader's ethical behavior (Peterson, 2004; Zahari et al., 2021). In line with this viewpoint, (Palanski & Yammarino, 2009) have emphasized that one of the attributes of a good leader is a leader with high-quality integrity. (Moorman et al., 2018) integrity is defined as

conduct or actions consistent with moral principles and norms. Integrity can drive a leader to engage in ethical behavior and influence followers to behave ethically (Bakri et al., 2017; Engelbrecht et al., 2017; Palanski & Yammarino, 2009; Zahari et al., 2019). Ethical leaders will demonstrate integrity, trust, and shared values when they organize their followers (den Hartog, 2015; Key, 1999). Previous studies have discovered a link between leader integrity and ethical leadership. Integrity was proven to be a strong predictor of transformative leadership by (Engelbrecht et al., 2015, 2017). (Enwereuzor et al., 2020; Peterson, 2004) demonstrated in another study that ethical leadership is favorably associated with ethical leadership, concluding that integrity positively influences ethical leadership. (Engelbrecht et al., 2017; Peterson, 2004) Showed that integrity significantly benefits ethical leadership.

H1: A leader's integrity is positively related to ethical leadership.

Leader's Integrity and Follower's Trust in The Leader

One of the dimensions of trustworthiness is integrity, which leads to trust (Huberts, 2018). Integrity is one of the critical antecedents of trust (Moorman et al., 2018), and it refers to adherence to a set of principles that align with the followers' expectations (Gatling et al., 2017). Accordingly, (Peterson, 2004) argued that leader integrity is a defining characteristic of a leader's personality. The followers will trust their leader if the leader presents high behavioral integrity (Gatling et al., 2017), indicates credibility and trustworthiness, and takes acts that benefit, or at the very least do not harm, the followers (Huberts, 2018; Peterson, 2004). From the point of view of social exchange theory, the relationship between two parties is reciprocal (Blau, 1964). A reciprocal relationship exists between leaders and followers in an organization. In exchange for the leader's integrity, followers will give their trust. If the leader's behavior is established on the moral values and norms perceived as acceptable behavior by the followers, the followers will be more likely to trust the leader (Engelbrecht et al., 2015, 2017; Gatling et al., 2017).

Most studies have focused on determining if there is an empirical relationship between behavioral integrity and followers' trust in leaders. Empirically, (Palanski and Yammarino, 2009a) (Gatling et al., 2017) provided a positive correlation between leader integrity and personal trust among followers. Moreover, (Moorman et al., 2018) are positively and strongly related. (Engelbrecht et al., 2015, 2017) Trust in the leader.

H2: A leader's integrity is positively related to the follower's trust in the leader

Ethical Leadership and Follower's Trust in The Leader

(Brown & Treviño, 2006) Suggest that a leader is ethical if the leader possesses the qualities of honesty, integrity, care for others, strong values, respect for others' rights, and the ability to make fair and balanced judgments. Ethical leaders will establish clear standards for how to act ethically in the workplace and will offer examples of how to act ethically in the workplace by those standards (Brown & Treviño, 2006). Furthermore, leaders will have the courage to transform moral ideals into ethical conduct (Afsar & Shahjehan, 2018). Ethical leadership can foster a cooperative, fair, and trustworthy work environment in which workers are driven to act in line with the organization's and society's moral values (Javed et al., 2018; Kalshoven & Ipskamp, 2010). Followers will have to trust their leader if the leader acts with credibility, trustworthiness, and ethics (Engelbrecht et al., 2015, 2017). Employees' readiness to take risks based on positive expectations of the leader's intentions is called trust in the leader (Afsar & Shahjehan, 2018). Social exchange connections are based on trust, perceptions of personal commitment, and reciprocity rules, according to social exchange theory (Blau, 1964). According to this concept, trust develops when group members interact in high-quality interactions (Blau, 1964). Because they trust in their leaders, subordinates of ethical leaders are more likely to perceive themselves as being in social exchange relationships with them (Brown & Treviño, 2006; Kalshoven & Ipskamp, 2010). Regarding social exchange, ethical leadership

should be associated with employee trust in the leader.

Social exchange fosters attitudes of personal responsibility, respect, and trust. Trust may be viewed as a result of a successful trade if the transaction involves a relationship (Yukl et al., 2013). According to the social exchange theory of management and leadership, trust in leaders originates from the ethical leadership promoted inside the organization and the incentive seen by followers within the organization (Adekanmbi & Ukpere, 2020). Researchers discovered a correlation between ethical leadership and trust in the leader. A positive association between ethical leadership and trust in the leader has been discovered by (Engelbrecht et al., 2017). Ethical leadership predicts cognitive and affective workplace relationships. Likewise, (Kerse, 2021; Siva Vikaraman et al., 2018) discovered that ethical leadership influences followers' trust in leaders. Ethical leadership was also found to be substantially and positively correlated to trust in the leader (Afsar & Shahjehan, 2018; Javed et al., 2018). As a result, ethical leadership can be expected to affect the leader's trust positively.

H3: Ethical leadership is positively related to followers' trust in the leader

Leader's Integrity and The Anti-Fraud Strategy

Integrity is achieved by clicking or tapping and is demonstrated by honest, professional, non-corrupt behavior and commitment to moral standards. Unethical behavior and integrity violations can result from a lack of integrity (Bakri et al., 2017; Gatling et al., 2017). Fraud, in all its forms, is a kind of integrity violation (Kaptein, 2008; Krambia-Kapardis, 2016; Krummeck, 2020). The integrity of an organization's culture is determined by the leadership's integrity, often known as the tone at the top (Bussmann & Niemczek, 2019). Leaders with high integrity will be able to set an example for others by avoiding activities or acts connected to economic crime (Bussmann & Niemczek, 2019; Marquette & Peiffer, 2015; Sööt, 2012). When followers perceive a leader as having integrity, this leader can foster policies and procedures that can prevent followers from being involved in fraudulent

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behaviors. Leaders with high integrity are seen to be more likely to act ethically and so prevent fraud. Previous research has also linked leader integrity to a strategy for preventing and reducing fraudulent behaviors (Bakri et al., 2017; Bussmann & Niemeczek, 2019).

Management with a low level of integrity is more likely to engage in unethical or fraudulent activities. In their research, (Enwereuzor et al., 2020; Peterson, 2004) found that those with low integrity are more likely to engage in corrupt activities. Having a leader with high integrity might help avoid unethical activity or fraud among leaders and followers.

H4: A leader's integrity is positively related to the anti-fraud strategy

Ethical Leadership and The Anti-Fraud Strategy

Leaders who act ethically establish an example for others in the organization by demonstrating how to act morally and follow ethical norms and rules (Schaubroeck et al., 2012). Ethical leadership may motivate employees to act ethically by inspiring them with positive words and actions (Brown & Treviño, 2006). Followers or workers will emulate the behavior of the leader who performs as a role model. Employees are more inclined to participate in unethical behavior or misbehavior if their leader does (Ishak et al., 2019). In an organization where traditional values are still upheld, a charismatic leader with ethical behavior will be believed to be able to prevent deviant acts or violate the rules (Zikhali, 2019). (de Cremer & Vandekerckhove, 2017) argued that ethical leadership can help prevent employees and organizations from engaging in unethical actions. From the point of view of social exchange theory, ethical leadership and employee behavior should be viewed as a reciprocal relationship (Brown & Treviño, 2006). Employees will behave ethically if the leader also has ethical behavior (Brown & Treviño, 2006; de Cremer & Vandekerckhove, 2017). As a result, it is reasonable if multiple prior research suggest that ethical leadership can reduce the risk of misbehavior or fraud in businesses by fostering strong anti-fraud values (Krambia-Kapardis, 2016; Krummeck, 2020). In the absence of ethical leadership, employees

or followers can commit acts that violate the rules because no leader encourages employees or followers to obey ethical rules (Brown & Treviño, 2006; de Cremer & Vandekerckhove, 2017) To prevent fraud, management should ensure its employees throughout their actions that unethical behavior will not be tolerated (Zahari et al., 2020). As a result, senior management must first establish an ethical tone at the top (ethical leadership) to prevent corporate fraud (de Cremer & Moore, 2019; Murphy et al., 2012; Schaubroeck et al., 2012; Suh et al., 2018; Suh & Shim, 2020; Zuberi & Mzenzi, 2019).

H5: Ethical leadership is positively related to the anti-fraud strategy

Follower's Trust in The Leader and The Anti-Fraud Strategy

One key component of trust is establishing a relationship between two parties, which influences the behavior of followers (Kerse, 2021). Trust in a leader can shape employee work behavior. Employees who trust their leader will be proactive and committed to their tasks (Anand et al., 2012). A shared vision fosters trust among individuals, resulting in predictable, honest actions through collaboration (Myeong & Seo, 2016). (Mantzaris & Pillay, 2017; Pillay, 2017) recommended developing and sustaining a fraud prevention approach that encourages trust. A lack of trust in the leader and the organization can be a source of deviant individual conduct, such as fraud (Marien & Hooghe, 2011). As a result, trust in the leader is crucial in preventing fraud. (Lambsdorff, 2015) trust in leaders and management had a relationship framework for employees' ethical behavior and fraudulent intentions. The empirical studies that analyze the relationship between trust in a leader and followers' organizational deviance significantly concluded that a robust negative relationship exists between trust in the leader and organizational deviance, which means that trusting a leader can reduce followers' deviant behavior. Moreover, (Adekanmbi and Ukpere, 2020a) reported that trust in management and leaders has a noteworthy negative influence on attitudes toward fraudulent behaviors.

H6: follower's trust in the leader is positively related to the anti-fraud strategy

METHOD

The main objective of this study is to investigate the relationship between ethical leadership, trust in the leader, and anti-fraud strategy in tourism destination organizations. The research is both descriptive and quantitative. Data were gathered from 193 members of groups that are aware of the importance of the tourism sector at four tourism attractions in Madura's various areas, namely: Labuhan Mangrove (Bangkalan), Labuhan Manis Mangrove (Sampang), Lembung Mangrove (Pamekasan) and Kedatim Mangrove (Sumenep). The four tourism destinations were chosen based on three criteria: successful tourism destinations, managed by a group that is aware of the importance of the tourism sector (Tourism Community), in collaboration with village management, and empowering communities in tourism governance.

A survey technique was used to investigate the relationship between these components. A questionnaire with two sections was used to obtain data from respondents during the survey. Section 1 asked respondents about their distinctive features, such as gender, age, and education. The variables were the focus of the second segment. The scales used in this study were chosen from prior research to ensure the reliability of the measurement tools. Furthermore, minor modifications were made to ensure all aspects were acceptable for the study setting. All characteristics were assessed on a 5-point Likert scale from 1 ("strongly disagree") to 5 ("strongly agree").

Ethical Leadership was measured by the leadership of ethics scale developed by Brown & Treviño (2006). Established a scale to measure trust in leaders. The leader's integrity is measured using 9 questions developed by (Zahari et al., 2021). Anti-fraud strategy measurement has referred to AICPA's fraud prevention indicators. It has also been used by (N'Guilla Sow et al., 2018) which consists of (i) building and preserving a culture of honesty, (ii) assessing the risk of fraud and implementing

processes and procedures to mitigate the identified risks, and (iii) creating an appropriate oversight process. Since the objectives of this paper were to explore the relationship between the variables rather than build a new theory, it used PLS-SEM using Smart PLS 3 to analyze the data. PLS-SEM is particularly useful when structural equation modeling explains the relationship between variables (Hair et al., 2017) because it allows for a more flexible approach to model construction. PLS-SEM is also utilized for small sample sizes (Hair et al., 2017); hence, this study used it to avoid data normalization concerns.

ANALYSIS AND DISCUSSIONS

The demographics of this study's respondents are shown in Table 1. The results reveal that 105 respondents (54.4%) were males and 88 were females (45.6%). Furthermore, the percentage of education columns revealed that a more significant proportion comprises 51.3% of senior high school level members, 7.8% of undergraduate level members, and some diploma and junior high school members. Table 1 also shows the age groups of the respondents. 39.4% of respondents were between the ages of 17 and 25, 18.7% were between the ages of 26 and 35, 24.4% were between the ages of 36 and 45, and 17.6% were above 46. Whereas experience reveals that most members, 36.8%, had 1 to 5 years of experience, and 2.6% had 4 to 6 years of experience.

Partially least squares-based structural equation modeling (PLS-SEM) was used in this study to investigate the causal relationships between the constructs of the proposed model. Because it attempts to investigate the extent of the association between endogenous or exogenous constructs, this analytical technique is better suited to exploratory and confirmatory research, in which independent constructs estimate the ultimate dependent constructs. Structural model analysis was performed before testing the hypotheses to assess convergent and discriminant validity.

Table 1. Respondent's Demographic

Respondents Demographic		N= 193	
		Freq	%
Gender	Male	105	54.4%
	Female	88	45.6%
Education	Elementary	48	24.9%
	Junior High School	30	15.5%
	Senior High School	99	51.3%
	Diploma	1	0.5%
	Undergraduate	15	7.8%
Age	17-25	76	39.4%
	26-35	36	18.7%
	36-45	47	24.4%
	46-60	34	17.6%
Tenure	< 1 year	34	17.6%
	1-5 year	145	75.1%
	5-10 year	5	2.6%
	> 10 year	9	4.7%

Source: Primary data processed, (2023)

Table 2 shows the values of leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy between 0.70 and 0.99, which are acceptable with the reference. Moreover, the AVE demonstrates convergent validity, which assesses the degree to which two measurements of the same concept are associated (Hair et al., 2017). As a result, the data used for testing has the internal consistency and accuracy required for future testing.

Table 2. Construct Reliability and Validity

Variable	Cronbach's Alpha	CR	AVE
Leader Integrity	0.793	0.857	0.546
Ethical Leader	0.826	0.884	0.657
Trust in Leader	0.803	0.858	0.503
Anti-Fraud Strategy	0.812	0.865	0.516

Source: Primary data processed, (2023)

Fornell and Larcker's proposed criteria were used to test discriminant validity. It was stated that the square root of the AVE should be higher than the correlation coefficients between the constructs studied. This is further outlined in Table 3, where the square roots of the AVEs were higher than the correlation values for the pairings of each research construct. As a result, the discriminant validity test results were met satisfactorily.

The structural model was evaluated using SmartPLS-3.0, and the bootstrapping technique was used to test the path coefficients of the relationship between the latent constructs. (Hair et al., 2017). The path coefficients should have a minimum degree of significance of 0.05. (Hair et al., 2017).

Table 3. Fornell-Larcker Criterion

	AFS	EL	LI	TRL
Anti-Fraud Strategy	0.718			
Ethical Leader	0.550	0.810		
Leader Integrity	0.472	0.505	0.739	
Trust in Leader	0.502	0.537	0.489	0.709

Source: Primary data processed, (2023)

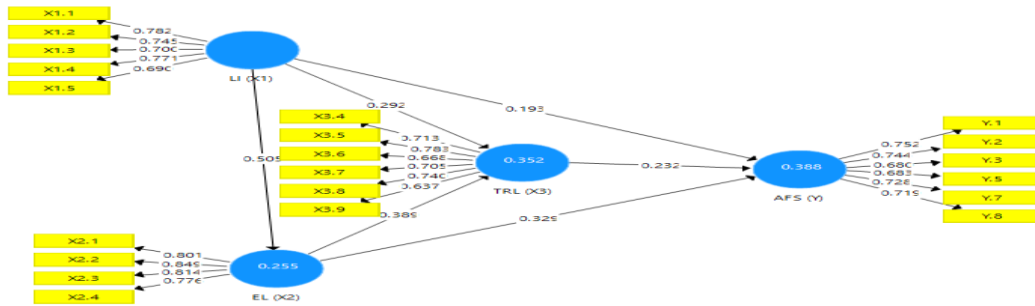


Figure 1. Hypothesis Testing Results
 Source: Primary data processed, (2023)

Table 4. Model’s path relationship

Relationships	Original Sample	Sample Mean	SD	T stat	P-Values
Leader Integrity → Ethical Leadership	0.505	0.512	0.074	6.799	0.000
Leader Integrity → Trust in Leader	0.292	0.290	0.074	3.946	0.000
Ethical Leadership → Trust in Leader	0.389	0.394	0.071	5.513	0.000
Leader Integrity → Anti-Fraud Strategy	0.193	0.192	0.094	2.053	0.041
Ethical Leadership → Anti-Fraud Strategy	0.329	0.329	0.074	4.453	0.000
Trust in Leader → Anti-Fraud Strategy	0.232	0.237	0.084	2.746	0.006

Source: Primary data processed, (2023)

Table 4 represents the model's path relationship and displays all the beta values and t-values. The findings revealed that leader integrity had a positive impact on ethical leadership ($\beta = 0.505$, $t = 6.799$, $p < 0.05$), trust in the leader ($\beta = 0.292$, $t = 3.946$, $p < 0.05$), and anti-fraud strategy ($\beta = 0.193$, $t = 2.053$, $p < 0.05$). This finding supported H1, H2, and H4. The finding also showed that ethical leadership had a positive relationship with trust in the leader ($\beta = 0.389$, $t = 5.513$, $p < 0.05$) and anti-fraud strategy ($\beta = 0.329$, $t = 4.453$, $p < 0.05$). Therefore, hypotheses H3 and H5 were also supported. This research reveals empirical evidence supporting the relationship between trust in the leader and anti-fraud strategy ($\beta = 0.232$, $t = 2.746$, $p < 0.05$). Hence, H6 was supported. This study's findings confirmed hypothesis 1, which argued that leaders' integrity positively impacts ethical leadership. When leaders have solid moral foundations and values in leading an

organization, such as integrity, ethical standards, and fair treatment toward followers, they are considered to be ethical (Bakri et al., 2017; Engelbrecht et al., 2017; Palanski & Yammarino, 2009; Zahari et al., 2019). The leader's integrity can be illustrated by acting on moral beliefs and standards, which leads to ethical behavior (Brown & Treviño, 2006). As a result, leaders with integrity will behave ethically and will be able to encourage their followers to behave ethically as well (Engelbrecht et al., 2017; Palanski & Yammarino, 2009) because leaders have a significant role in regulating their followers (den Hartog, 2015). According to the findings of this study, leader integrity has a robust, favorable impact on ethical leadership. The literature has also widely shown the positive link between these two variables (Engelbrecht et al., 2015, 2017; Enwereuzor et al., 2020; Peterson, 2004). As a result, tourism



management leaders in Madura must maintain high levels of integrity/ in their roles to avoid unethical behavior.

The findings of this study showed that leaders with integrity will gain followers' trust. Therefore, it can be concluded that hypothesis 2 was supported. This is conceptually consistent with (Huberts, 2018; Peterson, 2004), who argued that a leader's primary key to being trusted by followers is high integrity. The level of trust that followers place in a leader is directly proportional to the leader's level of integrity. Leaders with high integrity will demonstrate adherence to a set of standards, moral principles, and norms that are to followers' expectations (Gatling et al., 2017; Huberts, 2018). (Gatling et al., 2017) who discovered a link between leader integrity and followers' trust. Furthermore, (Moorman et al., 2018) demonstrated a positive and robust association between the behavioral integrity of the leader and the followers' trust in the leader. Leaders' behavioral integrity has a robust favorable impact on the trustworthiness of their followers. Consequently, leaders must act with integrity so that their followers will believe in tourism management leaders.

To gain followers' trust, leaders must be ethical, honest, concerned about their followers, and capable of establishing clear organizational standards and procedures (Brown & Treviño, 2006). Followers will have more trust in the leaders if they can transform their good intentions into ethical behavior (Afsar & Shahjehan, 2018; Yukl et al., 2013). A trusting work environment can be built if the leader can behave ethically and motivate employees to act appropriately and morally by the rules that apply in the company and society (Javed et al., 2018; Kalshoven & Ipskamp, 2010). Theoretically, social exchange theory describes interactions based on trust, perceptions of personal obligation, and reciprocity rules (Blau, 1964). This implies that a solid leader-follower relationship is built on trust. Followers will give reciprocal trust if they perceive their leader performs ethically. The results of this study support the opinion that ethical leadership is significantly and positively related to trust in leaders.

Leaders in tourism management organizations must be capable of establishing a fraud-free environment. The elements that influence anti-fraud strategy in four tourism destination organizations were investigated in the present study. Several prior studies have attempted to develop an anti-fraud strategy by integrating leader integrity, ethical leadership, and trust in the leader as the major components of preventing fraud. This study has revealed a significant relationship between leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy.

According to the test results, hypothesis 4 is supported. This study supports the findings of prior research by Bakri et al. (2017), Bussmann & Niemeczek (2019), Enwereuzor et al. (2020), and Peterson (2004). Click or tap here to enter text. This indicates that leader integrity positively impacts anti-fraud strategy. The leader's integrity is considered capable of preventing fraud or deviant behavior. Honest behavior, maintaining commitments, and complying with moral norms, all of which represent a leader's integrity (Palanski & Yammarino, 2009), can serve as an example (tone from the top) for followers (Bussmann & Niemeczek, 2019) not to perform activities that violate integrity, such as fraud (Kaptein, 2008; Krambia-Kapardis, 2016; Krummeck, 2020). Opportunities for fraud in tourism management can be avoided when a leader has high integrity since the integrity inherent in the leader can protect leaders and followers from behaviors related to economic crime (Bussmann & Niemeczek, 2019; Marquette & Peiffer, 2015; Sööt, 2012). Fraud prevention strategies will be implemented appropriately because the leaders have the integrity to avoid fraud that their followers will follow.

The findings of this study confirm hypothesis 5, which suggests that ethical leadership improves anti-fraud strategy. Leaders will be role models for their followers. A reciprocal relationship exists between leaders' and followers' ethical behavior. If the leaders engage in unethical behavior, their followers will do the same thing, and vice versa; if the leaders engage in unethical

behavior, their followers will also tend to violate the rules (Schaubroeck et al., 2012). Leaders must transform ethical norms and standards into ethical and moral behavior that can be an excellent example for their followers (Ishak et al., 2019) to prevent fraudulent behavior (de Cremer & Moore, 2019; Zikhali, 2019). It can be concluded that an ethical leader (tone at the top) can be one strategy that can be applied to prevent fraud. Based on the promising empirical results in this study, the leaders of tourism organizations in Madura should behave ethically, which can be used as examples by their followers so that anti-fraud strategies can be applied effectively. This is consistent with the views of de Cremer & Moore (2019); Murphy et al. (2012); Schaubroeck et al. (2012); Suh et al. (2018); Suh & Shim (2020); Zuberi & Mzenzi (2019). A positive association between trust in the leader and anti-fraud strategy has been discovered using SEM quantitative tests. The results of this study indicate that when followers trust their leader, they will comply with existing regulations, including avoiding fraudulent activities. Previous research has also demonstrated that trust in leaders can help prevent organizational fraud (Adekanmbi & Ukpere, 2020a; Gatling et al., 2017). Trust, an essential aspect of the leader-follower connection, can impact follower behavior (Kerse, 2021), and followers will act proactively and by regulations (Anand et al., 2012). As previously indicated, to prevent fraudulent behavior in organizational management, it is vital to establish reciprocal trust between leaders and followers (Lambsdorff, 2015; Marien & Hooghe, 2011). Lack of trust in leaders and organizations can lead to deviant behavior among followers (Marien & Hooghe, 2011). (Adekanmbi & Ukpere, 2020a) underlined the importance of trust in management and leaders in preventing employees and followers from committing fraud. One of the conditions for a successful anti-fraud campaign is that followers trust the leader.

CONCLUSION

This study investigates the connection between leader integrity, ethical leadership, trust in the leader, and anti-fraud strategy in Madura Island, which has emerged as a new tourism destination for local and foreign visitors. This empirical study, like others, has limitations. To begin, the study's sample is restricted to members of groups aware of the importance of the tourism sector (tourism community) in four separate Madura Island districts.

As a result, a bigger sample size in other islands is required for some further assumptions. The use of convenience sampling is the following constraint; it is advised that future research employ a longitudinal strategy and other sample approaches, such as judgmental sampling, to reduce the risk of bias. As a result, other researchers should conduct similar studies in diverse service sectors, including restaurants or hotels, to reduce typical technique bias and offer more robust evidence on the causation problem and a foundation for conducting a cross-island study.

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