



THE EFFECT OF MYSTERY SHOPPING METHOD ON FRAUD REDUCING IN EMPLOYEES OF PT HOME SMART INDONESIA

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Abstract

This study was to determine the effect of using the mystery shopping method on reducing fraud cases in PT Home Smart Indonesia employees and wanted to know how strong the method could reduce the number of fraud cases which in 2017 had a significant increase. In this paper, the mystery shopping method will be discussed, therefore the supporting methods of research used are empirical juridical method used to analyze the influence of the mystery shopping method on the quality of credit services and consumer financing at PT Home Smart Indonesia. This research was conducted using reliability test, Multiple linear regression test, T test (Partial), F test (simultaneous). Processing data using the help of the SPSS version 20 application. Data Taken as many as 24 months in 2017 – 2018 at PT Home Smart Indonesia. Based on the analysis of statistical data, the indicators of this research are reliable and from the results of the analysis it can be seen that Mystery Shopping has an effect on reducing fraud in employees at PT home smart Indonesia.

Keywords: Mystery Shopping and reduction of fraud on employees at PT Home Smart Indonesia

INTRODUCTION

The increasingly developed world economy has a considerable impact, especially in the financing sector. The finance company itself is a company engaged in services such as credit, loan funds and so forth. Financing is like a partner, a company must also build good relations with its customers through customer experience, more than 50% of that experience depends on how consumers feel the company's treatment to them. Service quality is the main factor in increasing customer satisfaction and the main key in differentiating a company from its competitors, especially in the finance and banking industry. Excellent service is what literally means the best service or very good. It is called very good or the best because it is in accordance with the service standards that are in effect or owned by service providers. Process services to the community, whether in the form of goods or services through stages, procedures, requirements, time and financing that are carried out transparently to achieve satisfaction as the vision set in the organization.

With many consumers who use financing services at PT Home Smart Indonesia, with that employees can meet predetermined target needs, but each consumer is not always able to meet the applicable standard procedures in applying for credit, the procedure has a variety of limitations that have an impact on fraud committed by consumers and employees of the company itself, therefore to measure and reduce fraud or fraud cases, the mystery shopping method is used.

In the financial services industry, Mystery Shopping is not new. Many large financial service providers use mysterious ideas to evaluate competitors and their own sales staff, to improve service to consumers and assess employee compliance with the company. As is well known, every company that uses the Mystery Shopping method provides detailed insight into how financial products are sold to consumers.

Because regulations are developing with the increasing need for financial service companies to gather evidence about whether they comply with government policies as expected and at the same time whether they provide the best service to their customers. In particular, financial service companies need to measure and evaluate the impact of government policies on their customers' experiences and assess their level of compliance with government policies.

Understanding customers, expectations and products that are liked by customers is very important for each company, it is more profitable to serve old customers than to buy new ones. The financial services sector is no different. However, because of regulations, compliance requirements and the complexity of product offerings, employee interaction with customers is an important component.

Every individual is trained to feel and measure each customer service process by acting as a potential customer in detail and objectively. Mystery shopping is a research technique that has long existed and is widely used in many industrial sectors, such as retail and hospitality, to measure the quality of services provided.

Therefore, this study takes the title "The Effect of the Mystery Shopping Method on Reducing Fraud in PT Home Smart Indonesia Employees". In this case, PT Home Smart Indonesia as a company engaged in financing, has considerable potential for fraud that can harm the company, so the purpose of this study is to determine the influence of mystery shopping on fraud cases in PT Home Smart Indonesia employees and the authors limit research this is only to analyze Fraud cases using the Mystery Shopping Method at PT Home Smart Indonesia.

THEORETICAL BASIS

Understanding Mystery Shopping (MS)

Mystery Shopping (MS) is a method used to measure the quality of retail services or collect specific information about products and services. This assessment is done in secret (disguising). Whereas people who carry out the duty to act as (as if) customers are usually called Mystery Shopper. It is they who will do certain tasks, such as buying products, asking questions, complaints, and behaving as naturally as possible and then providing detailed reports about their experiences

Mystery Shopping Work System

Every company must have their own policies and SOPs that must be run by employees. But sometimes the company does not know whether the SOP and company policies are run well or not. Or there may even be irregularities in the company's policy or SOP. In fact, sometimes a company owner conducts training because he wants the performance of each division of their company to be good or at least satisfying.

But does the owner know that what is being trained is actually done well by the employee? Is the training carried out useful and effective for the company? Sometimes companies that have several branch offices, can find out after several months the company is running, or after getting complaints from customers that the company's services are not good or not in accordance with the specified SOP. Therefore, the solution that can be done by the company is to do mystery shopping.

Actually this research technique is not only to find out whether the company's SOP or training conducted by the company is effective or not, but there are many other things that can

be obtained from the company through this technique. Mystery shoppers are known as undercover buyers, people who evaluate services, customer service researchers, auditors, spies, or market researchers / market evaluators.

Mystery Shopper Jobs

1. **Integrity** *Mystery shopper* can see if there is fraud committed by employees in the company such as theft or possibly doing illegal activities
2. **Purchase & Returns** *Mystery shopper* can see how the procedure is set by the company. Is it well run by employees or is it not run properly.
3. **Quality Control** Through this task, companies can find out whether company employees present a product or service in accordance with company standards.
4. **Customer Service** Through this mystery shopper, we can also research whether employees in their company provide good service to their customers.
5. **Product Check** For this task can be done if you want to check whether a particular item is on display and offered by company employees.

Information recorded by Mystery Shopper (in a shop) usually includes:

1. Number of employees present
2. How long does it take before the mystery shopper arrives
3. Name of employee,
4. Do employees give friendly greetings or not,
5. Questions asked by the mystery shopper to find suitable products
6. The type of product displayed,
7. How do employees persuade the mystery shopper to buy the product,
8. Does the employee ask for a mystery shopper to come back to the store,
9. Cleanliness of the shop, both in the yard, storefront, to the toilet if needed
10. Speed of employees in serving
11. Are all of them in accordance with the operational standards imposed by the company, both relating to service, product, appearance, and maintenance.

RESEARCH METHODOLOGY

In quantitative research, the method used in this study is descriptive method, this can be interpreted as a problem solving procedure investigated by describing the state of the subject or object in the study can be people, institutions, communities and others who are now based on facts looks or what they are.

It can be said that descriptive research is a study that seeks to describe a phenomenon, an event that occurs at the present time or an actual problem. Descriptive methods are not only limited to data collection, but include analysis and interpretation of the meaning of the data. Descriptive research compares similarities and differences in certain phenomena. After the method is set, the next data collection technique is determined according to the method used in this study.

This study aims to examine whether there is an influence of mystery shopping method to reduce employee fraud. This research begins by examining existing theories and knowledge so that a problem arises. These problems are tested to determine their acceptance or rejection based on data obtained from the field in the form of mystery shopping scores and fraud scores in the form of quantitative figures.

Population

In this case the company uses quantitative research by conducting marketing research to measure the quality of a service, testing the implementation of regulations or gathering more specific information about products or services.

As for the members of the population unit, all PT Home Smart Indonesia's employees and cases carried out by Mystery Shopping are adjusted to massive events that occur in the field and make the mystery shopping survey results as very important marketing research. PT Home Smart Indonesia employees are placed at merchants who have collaborated with the company.

Sample

Samples are part of the number and characteristics of the population. If the population is large, and researchers are not likely to learn all that exists in the population, because of limited funds, energy and time, the researcher can use samples taken from that population. the conclusion will be applied to the population. For that samples taken from the population must be truly representative. The sample used by researchers here are employees who were audited using the mystery shopping method at PT Home Smart Indonesia. The sample used was 32,043 scenarios, which were conducted on 4,578 employees in the JABODETABEK area.

Research Instrument

Research data collection is intended as recording events or characteristics of some or all elements of the research population. And the data collection technique used is to use report

data on mystery shopping methods and fraud findings from the method in the form of secondary data.

In this study there are two variables, namely the Mystery Shopping Scenario Number and Fraud Findings. In this study using three instruments, namely in the form of data as follows:

1. Data for Scenario run by Mystery Shopping
2. Mystery Shopping findings data
3. Policy data / employee sanctions.

Data Collection Technique

Data collection is based on the results of a visit or survey by Mystery Shopping and at this time the author works as a coordinator for Mystery Shopping. Data about Mystery Shopping cases, Mystery Shopping Findings, and sanction categories obtained based on data from where the author works at this time.

The instrument of this research is the result of mystery shopping findings to determine the reduction in the number of fraud committed by employees. Furthermore, the results of the mystery shopping findings to see how many employees committed fraud at PT Home Smart Indonesia.

Data Analysis Technique

Normality Test

Aim to test whether in the regression model, the residual confounding variable has a normal distribution. As is known that the T test (uji T) and F test (Uji F) assume that the residual value follows a normal distribution. If this assumption is violated, the statistical test becomes invalid for a small number of samples. There are two ways to detect whether residuals are normally distributed or not, that is by graph analysis and statistical tests (Ghozali, 2009).

To test whether the data distribution is normal or not is to use Graph analysis, that is by looking at normal probability plots compared to the cumulative distribution of the normal distribution. The normal distribution will form a diagonal straight line, and the data plot will be compared with a diagonal line. If the residual data distribution is normal, then the line describing the actual data will follow the diagonal line.

Multicollinearity Test

Aim to test whether the regression model found a correlation between independent variables. A good regression model should not have a correlation between independent variables (Ghozali, 2009). To detect the presence or absence of multicollinearity in regression there are several

ways, namely by looking at the value of Tolerance and Variance Inflation Factor(VIF). If there are independent variables that have a Tolerance value of more than 0.10 or VIF of less than 10, it can be concluded that there is no multicollinearity between the independent variables in the regression.

Heteroscedasticity

Aim to test whether in the regression model variance inequalities occur from the residual one to another observation. If the variance from the residual one observation to another observation remains, then it is called Homoscedasticity and if it is different it is called Heteroscedasticity (Ghozali, 2009).

To test detecting the presence or absence of heteroscedasticity can be done in various ways, one of which is graph plot between predictive value of the dependent variable, ZPRED with SRESID residual, where the Y axis is Y predicted and the X axis is the residual (Y prediction - Y actually). If there are certain patterns that are regular (wavy, widened, then narrowed), then it indicates that heteroscedasticity has occurred. If there is no clear pattern, and the points spread above and below number 0 on the Y axis, heteroscedasticity does not occur.

Analysis of Multiple Linear Regression

Regression aims to examine the relationship and influence between one variable and another variable. The variable that is affected is called dependent variable or independent variable (Wijaya,2009). Analysis of Multiple Linear Regression :

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$$

Note :

- Y = Dependent Variable (predicted value)
- X₁ and X₂ = Independent Variable
- a = Constants (Value Y if X₁, X₂.....X_n = 0)
- b = Regression Coefficient (Value of Increase or Decrease)

T test

To test how the influence of each independent variable individually on the dependent variable. This test can be done by comparing the count with T-table or by looking at the significant columns in each t-count, the t test process is identical with the T test where if T-table > T counts,

then H_0 is accepted and if $T\text{-table} < T\text{-count}$ then H_a is accepted. Likewise if $\text{sig} > (0.05)$, then H_0 is accepted H_a rejected and if $\text{sig} < (0.05)$, then H_0 is rejected and H_a is accepted.

F Test

In this study, the F test was used to determine the significant level of influence of the independent variables together (Simultaneous) on the dependent variable (Ghozali, 2009).

The basis for decision making is to use significant probability numbers, namely:

- a. If the probability is significant > 0.05 , Then H_0 is accepted and H_A is rejected.
- b. If the probability is significant < 0.05 , Then H_0 is rejected and H_A is accepted.

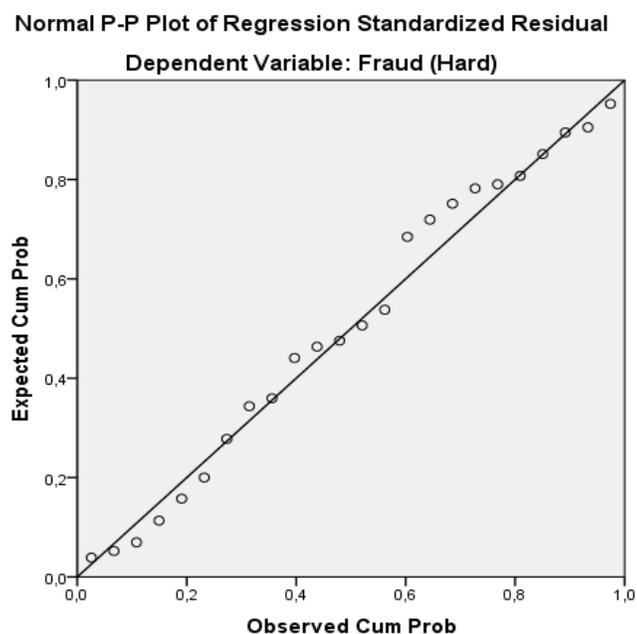
Determination Coefficient Test

The coefficient of determination is between zero and one. Because this study uses more than one independent variable, it uses the results of the adjusted R square value. Small value results can be interpreted that the ability of independent variables to explain variations in the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable.

RESULTS AND DISCUSSION

Normality Test

Figure 1 P-P Plot



From the graph above, it can be seen that the point spreads around the line and follows the diagonal line, it can be concluded that the data of this study can be used.

Multicollinearity Test

Table 1 Result of Multicollinearity Test

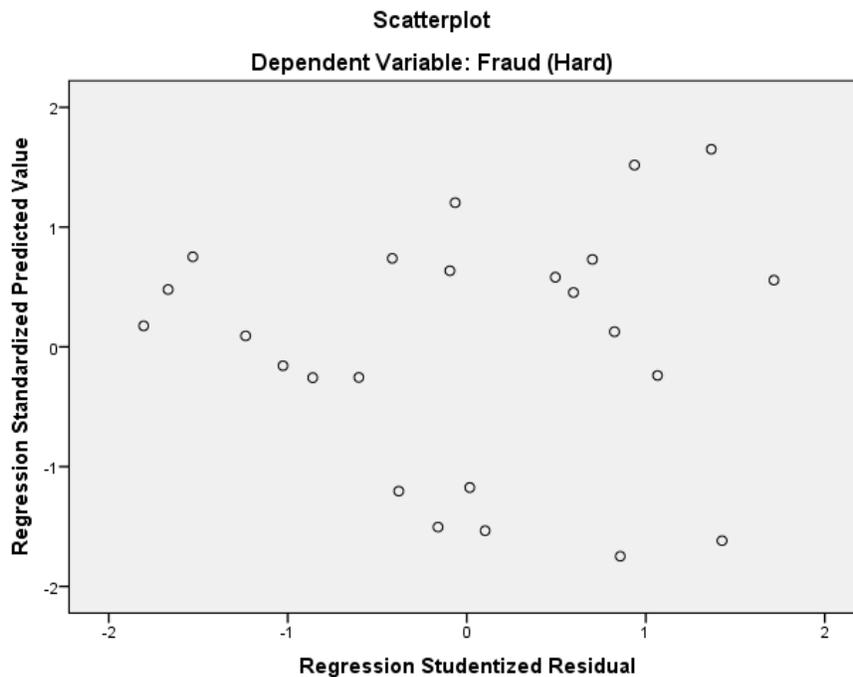
Model	Collinearity Statistics	
	Tolerance	VIF
1	(Constant)	
	Mystery Shopping	1,000 1,000

a. Dependent Variable: Fraud (Hard)

Based on the table above, it can be seen that the Tolerance value of brand awareness, brand association, brand perception and brand loyalty > 0.10 with VIF value <10. It can be concluded that the brand awareness, brand association, brand perception and brand loyalty do not occur multicollinearital, i.e. not found correlation between independent variables.

Heteroscedasticity Test

Figure 2 Scatterplot



From the image above the pattern of dots on the graph does not form a clear pattern and the points spread above and below. So it can be concluded that there is no heteroscedasticity in the regression model, so that it can be said heteroscedasticity test is fulfilled.

Analysis Of Multiple Linear Regression

Table 2 Multiple Linear Regression

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-25,724	5,584		-4,607	,000
	Mystery Shopping	,383	,028	,945	13,562	,000

a. Dependent Variable: Fraud (Hard)

Based on these equations, it can be interpreted as follows:

1. The constant of -25,724 shows that if the Mystery Shopping variable is considered constant, it can be estimated that the purchase decision will increase by -25,724.
2. The X regression coefficient (Mystery Shopping variable) is 0.383, based on the large coefficient value of 0.383 means that every 1 point increase occurs in the Mystery Shopping variable, it will increase the purchasing decision by 0.383 (if the result is significant).

T test (Partial)

Table 3 T test (Partial)

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-25,724	5,584		-4,607	,000
	Mystery Shopping	,383	,028	,945	13,562	,000

a. Dependent Variable: Fraud (Hard)

By looking at the table above, the results of the partial test are $T_{count} > T_{table} = 13.562 > 2.07387$ then H_0 is accepted, with a significant value of $0.000 < 0.05$. So it can be concluded partially that Mystery Shopping variables have an effect and are significant for fraud.

F test (Simultaneous)

Table 4 F test (Simultaneous)

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9415,493	1	9415,493	183,933	,000 ^b
	Residual	1126,177	22	51,190		
	Total	10541,670	23			

a. Dependent Variable: Fraud (Hard)

b. Predictors: (Constant), Mystery Shopping

Based on the table above, F-count value is 183.933, F-table is searched from 0.05 with the formula df_1 (number of variables-1) and df_2 ($n-k-1$) where N is the number of data and K is the number of independent variables. Then df_1 ($1-1$) = 1 and df_2 ($24-1-1$) = 22. To see the F-table with a significant 5% obtained a value of 4.30, because of $F\text{-count} > F\text{-table}$ ($183,933 > 4.30$). Then H_0 is rejected and H_a is accepted, so that together the Mystery Shopping variable (X) has a positive effect on Fraud (Y). This is reinforced by significant results (sig.) of $0.000 < 0.05$.

Determination Coefficient Test

Table 5 Determination Coefficient Test

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,945 ^a	,893	,888	7,15471	1,488

a. Predictors: (Constant), Mystery Shopping

b. Dependent Variable: Fraud (Hard)

Based on the table above it can be seen that the results of the Adjusted R Square value are 0.888 or around 88.8%. This can be interpreted that the independent variable Mystery Shopping on the dependent variable namely Fraud can be explained by this equation model of 88.8%. While the remaining 11.2% is explained by other factors not included in this research model.

CONCLUSION

Based on the results of the study it can be concluded that the existence of the mystery shopping method has proven to reduce the level of fraud that occurs every year, and the mystery shopping is certainly very influential to reduce losses on this company, from the T test produced a shopping mystery variable has a significant t test result to fraud, thus the method of Mystery shopping can be said to be optimal. And fraud has decreased quite significantly, thus based on the analysis using a simple regression method it can be concluded that based on the hypothesis formulation shows that shopper mystery has a positive influence on reducing fraud.

SUGGESTIONS

Based on the results of this study some suggestions can be addressed for further researchers, namely:

1. Evaluating conducted provides the final conclusion of the research that this method must be continuously developed to minimize fraud that has a positive impact on the health of credit companies.
2. Input that can be given is that it is expected that this shopping method can be applied to all credit financing companies and of course this method becomes one of the benchmarks in reducing the level of fraud that occurs so that the company is more careful.

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