

ABSTRACT

Organizations' reliance on information technology in the digital age makes information security a top priority, especially in the financing sector which is vulnerable to cyberattacks and internal employee negligence. Previous research has focused on the general overseas context, so this study fills the gap by specifically examining the factors that influence incident reporting in the Indonesian financing industry. The research method used was quantitative with a survey approach of 169 WOM Finance employees in West Java. Data was analyzed using Partial Least Squares Structural Equation Modeling.

The results showed that the punishment severity was significantly able to reduce all forms of unethical behavior, this finding is in line with deterrence theory. In contrast, information security awareness programs had no significant effect on poor access control. It was also found that only negligence in maintaining security has a significant effect on the willingness to report incidents. Therefore, companies are advised to strengthen strict and consistent sanction policies to suppress violations. In addition, educational programs need to be evaluated and strengthened with technical controls, especially on the aspects of password policies and access rights to build a more resilient security culture.

Keywords: Information Security Awareness Programs, Severity of Punishment, Willingness to Report, Unethical Behavior, Partial Least Squares Structural Equation Modeling