

Impact of Conflict of Interest on Accounting Policies Overview of Gender

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Abstract—This study aims to determine the impact of conflict of interest on accounting policies made by looking at gender factors. This type of research is a type of quantitative research by providing cases about conflicts of interest in accounting policies that are given and then further divided based on gender. Partisipan in this study is that students will be given a case based on gender division. The study design used a 2x2 factorial design. The data analysis that is used is by using two-way analysis (ANAVA) which aims to determine the differences in accounting policies given whether there is a conflict of interest or there is no conflict of interest by looking at gender factors.

The results of this study indicate that (1) there is a difference in taking accounting policies between those who are given a conflict of interest who are not given a conflict of interest and (2) There are differences in taking accounting policies after a conflict of interest is given with those who are not given conflict of interest conditioning man and woman.

Keywords: Conflict of Interest, Accounting Policy, Gender.

I. INTRODUCTION

Financial statements (financial statements) is a product and important information commodity produced by the accounting process of an organization or company. The aim is to provide information regarding the financial position, performance, and changes in the company's financial position in a period that is beneficial for a large number of users in making

economic decisions and others. The financial statements also describe what management has done. Or, it is management's responsibility for managing the economic resources entrusted to it [1].

The problem that arises is the users of financial statements, namely investors, creditors, suppliers, customers, communities, governments, employees and managers themselves, who receive and read the information often interpret and respond to it differently according to their interests in decision making. These different interpretations and responses have serious economic consequences or consequences for the company's value, risk and future. Recognizing the various consequences, managers then try to use various accounting or management tactics to "manage" the figures of financial statements, especially profits, in such a way before they are announced to users or the public. The goal is to trick the users so that their goals or company goals can be achieved as expected. But on the other hand, the users of financial statements (stakeholders) are aware of the moral hazard behavior of these managers. Users are also not easy to believe in accounting numbers presented in a financial statement, including those that have been audited by independent auditors. They then use various approaches to monitor and control the behavior of managers and companies in reporting and disclosing financial information. Not infrequently, they do pressure groups, both directly and through the relevant authorities, to suppress or give penalties to companies that are considered to be lying to them or behave unethically. Thus, the financial statements presented by a company become a commodity commodity private information (private goods) and public information (public goods) are very complex.

Financial reports are like double-edged blades that are equally sharp. On the one hand, financial statements become "tools" of communication or business language in the company's interactions with its stakeholders. In this case, the financial statements have an important role to reduce uncertainty and information bias and reduce asymmetric information (information asymmetry) among the users of financial statements [2]. In other words, relevant and reliable financial statements can play a role in minimizing conflicts of interest between the company and its stakeholders and can increase the value of the company and the value of shareholders. But on the other hand, financial statements can also be a source of conflict between the company and its stakeholders or with vested interest parties if the information presented is less relevant and reliable. These conflicts are often difficult to reconcile, leading to bankruptcy of the company or significantly reducing the company's performance and value.

The research design is a comprehensive plan of research covering the things that will be done by researchers starting from making hypotheses and their operational implications to the final analysis of the data which is then concluded and given advice.

The data used in this study are primary data obtained based on the results of the participants' answers in the given case. The case in this study was distributed to students majoring in Accounting, Faculty of Economics and Business, Ganesha University of Education. The dependent variable in this study is the Accounting Policy while the independent variables are Conflict of Interest, and gender.

The researcher observes the tendency of individuals to carry out accounting policies by dividing participants into 4 groups: (1) Group 1: groups of men treated with conflicts of interest, (2) Group 2: groups of men without giving conflict of interest treatment, (3) Group 3: women with the treatment of conflicts of interest, and (4) Group 4: women with low treatment without giving conflict of interest. The experimental design is shown in table

II. RESEARCH METHODS

Table 1. Experiment Design

Group	
Treatment	Kontrol
Grup 1	Grup 2
Grup 3	Grup 4

The classic assumption test which consists of: normality test and homogeneity test is done before the Two-Way Anova test. The results of the analysis will then be interpreted, and then concluded.

Research Location

This study aims to determine and analyze differences in accounting policies by providing conflicts of interest in terms of gender. To analyze these differences the data used in this study is the result of filling a case by students majoring in Accounting, Faculty of Economics, Ganesha Education University. Thus, this research is located in the Accounting Department of the Faculty of Economics and Business, Ganesha Singaraja University of Education.

Determination of Data Sources

The type of data used in this study is the type of quantitative data that is primary data collected through questionnaires in the form of research instruments in the form of cases. While the data source is a policy that will be taken from students majoring in Accounting,

Faculty of Economics, Universitas Pendidikan Ganesha.

Method of Determination of Samples Population

Population is a generalization area that consists of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study were all students of the Accounting Department. The reason for choosing students as populations is because students do not differ significantly from business practitioners so that they are considered capable of being managers' managers in the task of making accounting policies. Nevertheless, students who can be subject in this study are students who are currently or have taken certain courses as a condition proposed by researchers.

III. RESULTS AND DISCUSSION

This section explains the results and discussion of the research that has been done. The results section

includes an explanation of the description of the study, the results of the pilot, descriptive statistics of the results of the study, as well as the results of the research hypothesis test. Discussion of research results is integrated with theory and previous findings in an integrated manner.

Research Overview

This section will present the results of research on the effect of Conflicts of Interest and Gender on Accounting Policies. This research was conducted at the Masters of Management in Udayana University with activities carrying out treatment until data collection was needed. Before conducting research, a pilot test is needed. The pilot test was conducted at the Magister of Accounting at Udayana University.

Pilot Test Results

Before the actual experimental research is carried out, a pilot test is carried out first. The pilot test was followed by university accounting students at Ganesha Education. Researchers gave cases and tests to pilots, as many as 35 participants. The step taken in the pilot test is the researcher conveys instructions to work on the case given by giving an oral explanation of the general case information. Next, the researcher gives

time to students to independently understand the information contained in the case and gives a decision on the case given, then the researcher get input from test pilot participants to perfect the instrument to ensure the reliability of the research instrument. Improvements and adjustments made regarding the understanding of the presentation of information in the case, as well as adding guidance so that there is clarity in working on the case for participants.

Characteristics of Respondents

There are 60 subjects whose data are analyzed in this experimental study which are divided into Gender groups, namely men and women with the provision of Conflicts of Interest and without the provision of Conflicts of Interest which, students are given a division of cases of Conflict of Interest and without giving a conflict of interest.

Data Description

The data obtained in this study are data about gender which are categorized into high and low categorization and investment decision making that is treated as Conflict of Interest and not given Conflict of Interest treatment. Details of data on Accounting Policies in terms of Gender are presented in table 2

Table 2. Description of data

Gender	Treatment	Groups	Mean	Deviation Standards	Data Amount
Pria	<i>Tanpa Konflik Kepentingan</i>	1	2.06	1,27	15
	<i>Konflik Kepentingan</i>	2	3.73	1.16	15
Wanita	<i>Tanpa Konflik Kepentingan</i>	3	3.13	2.03	15
	<i>Konflik Kepentingan</i>	4	6.5	1.8	15

Table 4.1 shows that participants in group 1 with male gender receiving treatment without a conflict of interest had an average value of 2.06. Group 2 with male gender receiving Conflict of Interest treatment has an average value of 3.73. Group 3 with Gender women without treatment of Conflicts of Interest have an average value of 3.13. Group 4 with female gender receiving Conflict of Interest treatment has an average value of 6.5.

Test Prerequisites

Some data analysis techniques require testing the analysis requirements. Analysis of variance requires

that the data come from normally distributed populations and homogeneous groups.

Test Data Normality Distribution

Normal distribution test is a test to measure whether our data has a normal distribution so that it can be used in parametric statistics. The results of normality testing with the Kolmogorov-Smirnov Test show the Asymp value. Sig 0.151 (above 0.05), with these results it can be said that the data is normally distributed so that it meets one of the assumptions of analysis of variance (ANOVA). Table 3 presents the results of normality tests

Table 3. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		KA
N		60
Normal Parameters ^{a,b}	Mean	3.8667
	Std. Deviation	2.30303
Most Extreme Differences	Absolute	.147
	Positive	.147
	Negative	-.107
Kolmogorov-Smirnov Z		1.136
Asymp. Sig. (2-tailed)		.151

a. Test distribution is Normal.

b. Calculated from data.

Variance Homogeneity Test

This test aims to see whether the two samples have homogeneous variants or not. Statistical test results showed a statistical levene value of 0.726 (above

0.05). This shows that each group of subjects meets the same variant so it meets the ANOVA assumption. Table 4.3 presents the homogeneity test results.

Table 4. Homogeneity Test
Levene's Test of Equality of Error Variances^a

F	df1	df2	Sig.
.302	3	56	.726

Hypothesis Testing

The last stage of the analysis in this study is to test data that refers to the proposed research hypothesis. To test the research hypotheses, Two-Way Analysis of Variance (ANOVA) is used. Hypothesis testing is done at the 5% significance level. To find out the significance of the test results, researchers simply look at the p-value generated from the data processing. The criteria for making a decision are as follows:

- a) If the significance value > 0.05, Ho is accepted
- b) If the significance value is ≤ 0.05, then Hi is accepted or rejected Ho.

The results of calculations with two-way ANOVA are presented in table 5. Furthermore, to determine the differences in each group as a result of different treatments in this experiment, an ANOVA follow-up test was conducted using the Least Significance Difference (LSD) value of the average difference between groups with a significance level of 5%. p-

value resulting from processing the data. The criteria for making a decision are as follows.

- a) If the significance value > 0.05 then there is no real difference in groups
- b) If the significance value is ≤ 0.05 then there are significant differences in groups

The calculation results to see the average difference are presented in Table 5.

Table 5. Tests of Between-Subjects Effects

Dependent Variable:KA

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	163.600 ^a	3	54.533	20.450	.000
Intercept	897.067	1	897.067	336.400	.000
KP	96.267	1	96.267	36.100	.000
GN	56.067	1	56.067	21.025	.000
KP * GN	11.267	1	11.267	4.225	.045
Error	149.333	56	2.667		
Total	1210.000	60			
Corrected Total	312.933	59			

a. R Squared = ,523 (Adjusted R Squared = ,497)

Hypothesis Testing One

Hypothesis testing H1 is conducted to find out whether there are differences between subjects given a Conflict of Interest and subjects not given a Conflict of Interest towards Accounting Policies. Table 4.4 shows the results of Tests of Between-Subjects Effects to compare between groups / treatments. The results of the analysis in Table 5 show that the Sig coefficient value is 0,000 (<0.05) so that H1 which states that there are differences in accounting policy making between subjects who get Conflicts of Interest and subjects who do not get Conflicts of Interest are accepted. So it can be stated that there are differences in accounting policies between individuals in the condition of the treatment of Conflict of Interest and there is no treatment of Conflict of Interest [3].

Table 4.4 shows that for participants who have male gender there are differences in accounting policies between those who are treated with Conflicts of Interest and those who are not treated with Conflicts of Interest, where the Sig coefficient value of 0.00 is smaller than alpha of 0.05 and table 5 also shows that the participants who have female gender there are differences in accounting policies between those who treat conflict of interest and those who do not get conflicts of interest, where the coefficient of Sig is 0,000 smaller than alpha which is 0.05.

Hypothesis Testing Two

H2 hypothesis testing is done to find out whether there are differences between subjects who have male gender and subjects who have female gender on accounting policies. Table 4.4 shows the results of

Tests of Between-Subjects Effects to compare between groups / treatments. The analysis results in Table 5.6 show that the Sig coefficient value is 0,000 less than the alpha set (5%). Thus it can be concluded that H2 which states there are differences in the selection of Accounting Policies between subjects who have male gender and subjects who have female gender is accepted so that it can be stated that there are differences in the tendency of taking accounting policies between subjects with male gender and female gender [4].

Table 5 shows that the participants given the Conflict of Interest treatment there are differences in Accounting Policies between those who have male Gender and female Gender, where the Sig coefficient value is 0,000 smaller than alpha of 0.05 and table 4.4 also shows that in participants who did not Conflicts of Interest treatment given there are differences in Accounting Policies between those who have Gender Men and Gender Women, where the coefficient Sig is 0,000 less than alpha that is 0.05.

IV. CONCLUSION

Research with this experimental approach provides the conclusion that conflicts of interest will affect a person tends to determine accounting policies that are more aggressive than participants who do not have a conflict of interest and in terms of gender, namely men and women tend to be more aggressive women than men to determine policies accounting.

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