

# The Effects of Age and Experience on the Decision Making of Accounting Lecturers

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**Abstract**—The objective of this research is to differ the role between ages and experiences in ethical decision making that consist of ethical awareness, ethical judgments, and ethical intentions of accounting lecturers in Tangerang. Based on the previous studies. This study will use multiple regression analysis and ANOVA in the determination of which one between ages and experiences has differed more ethical awareness, ethical judgments, and ethical intentions. Empirical studies revealed that experiences have more distinctive in ethical awareness and ethical judgments, but in ethical intentions, ages were more distinctive than experiences. The meaning of these studies those older individuals would continuously support ethical intentions and behavior without considering their individual experiences. With the consideration of the individual experiences, the senior individuals would not have strong intentions in ethics. The difference between older individuals and senior individuals were the older people fewer judgments in ethics but more the intention. In turn, the senior individuals always considerate ethical decision making, but do not have intentions to support ethics.

**Keywords:** *between ages, experiences on ethical decision making*

## I. INTRODUCTION

O'Fallon and Butterfield (2005) provided thirteen studies concerning the association of age with ethical decision making. results of seven studies revealed a significant relationship between age and the individuals' ethical decisions (Kim, 2003; Singhapakdi, 1999), whereas no or few significant relationships were reported in six studies (Roozen et al., 2001; Singhapakdi, Vitell, & Franke, 1999). O'Fallon and Butterfield (2005) reported separately the impact of age on each stage of ethical decision making. Concerning ethical recognition, two studies were reported; one revealed a significant positive relationship between age and ethical recognition, the remaining study provided a few significant results.

Ethical judgment was examined in eleven studies and significant results were found in six studies, whereas the remaining four studies reported no or few significant results; one study (Razzaque & Hwee, 2002) reported mixed results. One study relates to ethical intention indicated no significant relationship review of this study, reported twenty additional studies examined the relationship of age with ethical decision-making stages. Eleven of these studies revealed no or few significant relationships or impacts (Marques & Azevedo-Pereira, 2008; Stedham et al., 2008), whereas the

remaining indicated a significant relationship with ethical decision-making stages (Cagle & Baucus, 2006; McMahon & Harvey, 2007). Ethical recognition was reported in three studies and found had no or few significant results in two studies (Conroy & Emerson, 2004), while the remaining one revealed significant results. In respect to ethical judgment, out of nine studies, six revealed no or few significant relationships or impact on or with age (Bernard & Sweeney, 2010; Nguyen et al., 2008); the remaining three reported significant results.

The ethical intention had a significant relationship with age in four studies (Valentine & Rittenburg, 2007) and no or few significant results in three studies. Overall, empirical studies regarding the role of age in ethical decision making have continued to produce inconsistent and mixed results. Of forty-nine studies reviewed, no or few significant impacts or relationships were reported in twenty-five studies, while twenty-four studies provided significant results; significant negative impact or relationship was reported by five studies. Nevertheless, it can be concluded that most of the significant results (19 out of 24) related to the impact of age on ethical decision making are positive.

Based on these phenomena we propose the hypothesis about the ages and experiences of accounting lecturers who have strong influent recognition of the ethical dilemma, retaining their argumentation. No significant influence on ethical intentions. Experienced accounting lecturers have no difference with junior accounting lecturers in ethical decision making in all stages.

## II. LITERATURE REVIEW

Ages explained as the long time of human life measured in the years of life. The potential relationship between age and ethical decision making has been investigated in the literature of business ethics by many researchers (Cagle & Baucus, 2006). Mixed results have been yielded that while some (Nill & Schibrowsky, 2005) have indicated that age is positively and significantly correlated with ethical decision making, others have found no significant relationship (Marta et al., 2004). Theory of cognitive moral development (CMD), which was built by Kohlberg, suggested a positive impact of age on moral development and individuals generally move from lower stages of moral reasoning to a higher one as they grow (Borkowski & Ugras, 1998; Cagle & Baucus, 2006). Thus, an older individual is expected to exhibit higher ethical values and behaviors than younger in dealing with ethical

situations. Comunale et al. (2006) argue that age is posited to affect judgments of the individual in a given ethical situation.

Surprisingly, this is to some extent not true in the literature of business ethics. The review by Ford and Richardson (1994) provided eight studies that investigated the relationship between age and ethical decision making. Five of these studies reported no or few significant results of the effect of age on ethical decision making (Callan, 1992; Izraeli, 1988), whereas three studies indicated significant findings, older individuals were less ethical than younger individuals in one study (Browning & Zabriskie, 1983). Overall, they summarized that mixed results among age and ethical decision making existed. This is consistent with the results of the thirty-five studies reported in the meta-analysis conducted by Borkowski and Ugras in 1998 that while seven studies revealed no significant or mixed result of the age impact on ethical decision-making process, twenty-eight studies indicated significant results that older students were more ethical than younger students (18 studies) or vice versa in the remaining studies (10 studies).

Similar to other demographic variables, there has been researched interested in business

ethics literature on how years of experience of individuals affect their ethical decision making (Bernardi, 1994; Kamel, 2001; Nill & Schibrowsky, 2005). However, some have argued that research examining the impact of length of experience on ethical decision making is still limited (Bernard & Sweeney, 2010). Kohlberg's theory provides a framework that hypothesizes a relationship between years of experience and moral development (Treviño, 1986). Treviño (1986) claims that this relationship provides opportunities for role-taking and the responsibility to resolve ethical issues within the workplace. Glover et al. (2002) argue that greater experience may be associated with greater awareness of what is ethically acceptable. Dawson (1997) also proposes that ethical standards change with years of experience.

Empirical studies within business ethics area concerning the association of years of experience with the stages of ethical decision making have offered different results. In their review of four studies related to years of employment, Ford and Richardson (1994) concluded that empirical studies produced mixed results. Two studies provided no significant relationship between years of experience and individuals' morality (Dubinsky & Ingram, 1984; Serwinek, 1992), whereas one study showed that individuals who had more years of experience tended to display more ethical views (Kidwell et al., 1987). Other studies revealed no relationship between individuals' ethical values and years of employment (Callan, 1992).

Studies reviewed by O'Fallon and Butterfield (2005) summarized that more years of work are positively related to ethical decision making. Out of ten studies reviewed the relationship between ethical decision making and the experience of individuals, two studies looked at the effect of experience on ethical recognition. Individuals with years of experience were more ethically sensitive than individuals who had little experience (Cohen et al., 2001). The other study revealed no major differences were found based on years of experience (Sparks & Hunt, 1998). Ethical judgment was examined in five studies; two of them showed positive

relationship between years of experience and the individuals' views (Larkin, 2000; Weeks et al., 1999), whereas no significant results or negative relationship were found in the remaining three (Cohen et al., 2001; Reiss & Mitra, 1998; Roozen et al., 2001). Finally, two studies related to ethical intention and work experience provided positive influences (Cohen et al., 2001; Jones & Kavanagh, 1996). In general, O'Fallon and Butterfield concluded that work experience is positively related to the ethical decision-making process.

Similarly to O'Fallon and Butterfield (2005) review, recent studies reviewed by this study reported positive results related to the relationship between years of experience and ethical decision-making stages. No study was found related to ethical recognition. For ethical judgment, four studies indicated that years of experience had a significant positive relationship with ethical judgment (O'Leary & Stewart, 2007; Pflugrath, Martinov-Bennie, & Chen, 2007). Ethical intention findings were significant and positive in three studies (e.g., Bernard & Sweeney, 2010; O'Leary & Stewart, 2007), whereas not in one study (Nill & Schibrowsky, 2005). It appears that a positive relationship between years of experience and ethical decision making has been increasingly shown in the literature of business ethics supporting Kohlberg's theory of moral development and Treviño's (1986) theory that adult development is linked to education and work experiences.

Ethical decision making is defined as "a process by which individuals use their base to determine whether a certain issue is right or wrong" (Carlson et al., 2002). Jones (1991) adds that an ethical decision is both legal and morally acceptable to the larger group. theoretical frameworks are possibly the most important writing on the ethical decision-making process within organizations. He proposed a four-stage ethical decision-making sequence to describe individuals' cognitive stages when they faced an ethical dilemma. These stages comprise 1) ethical recognition – being able to interpret the situation as being ethical or unethical; 2) ethical judgment – deciding which course of action is morally right; 3) ethical intention – prioritizing ethical alternative over other alternatives, and 4) ethical behavior – engaging in ethical behavior. Rest argues that each stage is conceptually different and that success in one stage does not mean success in any other stage.

**III. METHOD**

Data from one hundred thirty-eight respondents of accounting lecturer was voluntary in Tangerang. A survey questionnaire was used to collect the data We use SPSS 21 to process data, identified multiple regression analysts and *t*-test.

**IV. RESULTS**

The results of ANOVA, and *t*-test described in table 1: ANOVA:

**TABLE 1. ANOVA AND T-TEST**

Independent variables	ANOVA and t-test (137 RESPONDENTS)					
	AWARENESS		JUDGMENTS		INTENTIONS	
	F	T	F	t	F	t
Ages	0,248	0,911	2,059	0,090	1,991	0,099
Experiences	0,802	0,526	0,343	0,848	1,363	0,250

In Confidence Level (CL) 95% or Standard Error (SE) 5%, ages have almost the same significant impact on ethical awareness, judgments, and intentions as of 15,595; 13,704, and 12,891. Meanings that education, after interacted by rewards and sanctions, have a high impact to ethical awareness, judgments, and intentions, event education has only negative influent to the awareness and judgments, and the strengthening fower of rewards and sanctions was not significant and was also negative on awareness and intentions. In the total effects of situational factors – rewards and sanctions with the beta values of 0,543; 0,066; and 0,367 has significant interaction effects to the individual factors of education, and those can be described as p-values 0,001; 0,000; and 0,092 all of them < 0,05 (SE) 5%.

#### V. CONCLUSION

If rewards and sanctions have been implemented, accounting lecturers with higher education would be higher in recognizing each ethical dilemma and continue the awareness as an ethical action.

In the stage of ethical judgments accounting lecturers with higher education don't want to involve in the argumentation of ethics to each other, especially to the lower level educated accounting lecturers

Accounting lecturers with higher education will retire from ethical decision making focussed on discussion (FGD). They don't like to retain their recognition about ethical dilemmas based on the Beta 0,138 under the P-value of 0,547.

#### VI. IMPLICATION

This study suggests accounting lecturers in Tangerang not only enough to continue their professional education with techniques of accounting only, but should also follow periodical ethical decision making works through on the job basis or focussed group discussion.

Professional organization condition depended on country conditions, Indonesian Accountants Institutes will move each accounting lecturers to join scheduled ethical decision-making boards in professional organizations.

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