

# Ethical Decision Making Trainer for Accounting Firm Staff in Tangerang by Gender Selection

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**Abstract**—The objective of this research is to reveal the role of feminine gender to strengthening ethical awareness, ethical judgments, and ethical intentions in the development of ethical education at accounting firm in Tangerang. Based on the previous studies feminine gender was more influent ethical decision making in the stage of ethical awareness and ethical judgments compare than masculine gender, but more weak in ethical intentions. Education would develop ethical idealism and more idealistic individual usually support ethical decision making especially at the first and second stages. This phenomenon would describe that the implementation of education in training would be more success under feminine instructor placements in ethical decision making trainings.

**Keywords:** *education, ethical decision making accounting firm staffs*

## I. INTRODUCTION

Much research has been done regarding gender factors on ethical decision making process and fairly inconsistent results have been revealed. In their review, Ford and Richardson (1994) reported fourteen empirical studies related to the relationship between gender and ethical decision making. Seven of these studies, as shown revealed that gender had a significant influence on ethical decision making that females are likely to behave ethically than male (Beltramini, Peterson, & Kozmetsky, 1984; Ferrell & Skinner, 1988; Ruegger & King, 1992), whereas the remaining seven (Callan, 1992; McNichols & Zimmerer, 1985) suggested no significant differences between females and males in ethical decision making. It should be mention here that several previous studies examined ethical decision making process did not mention which stages they have investigate.

After evaluating thirteen studies that have reviewed by Ford and Richardson (1994), the review by Loe, Ferrell, & Mansfield (2000) added thirteen new studies related to the role of gender in ethical decision making. Most results (Brady & Wheeler, 1996; Galbraith & Stephenson, 1993; Serwinek, 1992; Whipple & Swords, 1992) indicated that gender had significant relationship with ethical decision making process or females are more sensitive to ethical issues than males.

The forty-nine studies concerning gender effects in the review of O'Fallon & Butterfield

(2005) were presented based upon the relationship between the influences of gender and each stage of ethical decision making. From previous researchs it can be seen that the plenty of these studies (33) examined ethical judgment as a dependent variable; four examined ethical intention and finally three investigated ethical recognition. While 24 studies revealed that gender had no or few significant results on ethical decision making process (Deshpande, 1997; Roozen, De Pelsmacker, & Bostyn, 2001; Smith & Oakley, 1997), 16 studies provided significant results that women were more ethical than men or there were differences that women are more ethical than men (Fleischman & Valentine, 2003; Tse & Au, 1997). They concluded that gender ethics literature continues to provide relatively stable results. They (O'Fallon & Butterfield, 2005) stated that "there are often no differences found between males and females, but when differences are found, females are more ethical than males".

Based on these phenomenon we propose the hypohtheses regarding the training of ethical decision making to accounting lecturer staffs in Tangerang. In the determination of trainner's gender we propose to choise females, with consideration that they have better ethical awareness and judgments. Females always have more consideration and faster than males in recognizing questionable actions as an ethical problems or not.

## II. LITERATURE REVIEW

Gender has been reported in more business ethics empirical studies than any other demographic variable. Although much researchs (Betz, O'Connell, & Shepard, 1989; Shaub, 1994; Simga-Mugan et al., 2005) has related to gender differences in ma5king ethical decisions reporting mixed results, much research has revealed that females are more ethical than males (Lund, 2008; Oumlil & Balloun, 2008).

Differences in gender have been theoretically discussed. Several approaches have been theorized in the literature of ethics to find out rational explanations to these differences (Betz et al., 1989; Nguyen, Basuray, Smith, Kopka, & McCulloh, 2008). The gender socialization theory, which its foundation was laid by Kohlberg's theory of moral

development, suggests that perspective of men and women regarding ethical issues are generally attributed to the early socialization (Gilligan, 1982). Moreover, it proposes that women and men bring different sets of values to the workplace. Since men are concerned with achieving success, they are more likely to break rules and law and therefore engaging in unethical behaviour (Guffey & McCartney, 2007). Women on the other hand are more concerned with performing their tasks well and maintaining harmony in the workplace, therefore, they are less likely to break the rules and law and consequently are less to involve in unethical behaviour (Betz et al., 1989). Accordingly, women and men will react in a different way when they face an ethical dilemma. Some (Gilligan, 1982; Peterson, Rhoads, & Vaught, 2001) argue that women tend to evaluate ethical issues in terms of their caring view of others, understanding relationships and responsibility to the whole community, whereas men tend to perceive ethical issues from rules, fairness, rights and justice view. In their recent meta-analysis, which tested several hypothesis regarding ethical issues, Jaffee & Hyde (2000) found support for this theory.

The structural theory suggests that occupational environment and the rewards and costs

structure within the workplace will overcome the impact of gender differences that caused by early socialization (Betz et al., 1989). Thus, women and men will similarly respond to ethical issues within the workplace (Comunale et al., 2006; Reidenbach, Robin, & Dawson, 1991).

Understanding gender differences in ethical decision making is crucial that more women are not only entering the business environment but they have reached higher level of managerial positions than ever before (Nguyen et al., 2008). Therefore, differences could have practical impact on ethical decision making within business environment (Roxas & Stoneback, 2004).

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 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 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 behaviour – engaging in ethical behaviour. Rest argues that each stage is conceptually different and that success in one stage does not mean success in any other stage.

More recent research has shown to some extent different direction that level of education had some significant positive impact on ethical perceptions of the decision makers. O’Fallon and Butterfield (2005) reported thirteen studies that examined the impact of level of education on ethical decision making stages. Out of these studies, three investigated the relationship between ethical recognition and educational level. Ethical recognition was not significantly influenced by

the level of education in two studies, for example in the study by Cohen et al. (2001) there were no significant differences between students and professional accountants in their sensitivity of ethical issues; one study indicated that level of education had an impact on ethical recognition.

With regard to ethical judgment, seven studies were conducted to examine its relationship with educational level; most of these studies (five) revealed that level of education had significant positive relationship with ethical judgment (Kracher, Chatterjee, & Lundquist, 2002; Razzaque & Hwee, 2002), while the remaining two showed no significant results (Cohen et al., 2001; Shafer et al., 2001). Ethical intention was reported in three studies; while two studies (Cohen et al., 2001) showed that ethical intention was found to be positively affected by the level of education, Shafer et al.(2001) provided no significant impact for level of education on intentions. The majority of the above studies (8 studies), which reviewed by O’Fallon and Butterfield, conclude that there are some significant positive relationships/impacts with /on ethical decision making stages that based on educational level.

### III. METHOD

Data from one hundred thirty six 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 ANOVA with Independent Sample Test, and *t* – test.

### IV. RESULTS

The results of Independent Sample Test and *t*-test described in the table 1: Independent Sample Test:

TABLE 1: INDEPENDENT SAMPLE TEST

INDEPENDENT SAMPLE TEST (136 RESPONDENS)						
Independent Variable	ETHICAL AWARENESS		ETHICAL JUDGMENTS		ETHICAL INTENTIONS	
	Lavene’s Test	T-Test	Lavene’s Test	T-Test	Lavene’s Test	T-Test
Gender	0,042	0,921	0,340	0,018	0,413	0,020

In Confidence Level (CL) 95% or Standard Error (SE) 5%, in the stage of ethical awareness with lavene’s test equality of variances  $0,042 < 0,05$  meanings that ethical awareness between gender have the different variances in average. Then we uses equal variances not assumed in *t-test*. The results of *t*-test as  $0,921 > 0,05$  we concluded that they didn’t have different in ethical awareness between male and females accounting firm staffs in Tangerang. Male and females ethical decision making trainer have the same high values in recognizing ethics questionable actions.

Ethical judgments and intentions as of 0,340 and 0,413  $> 0,05$ , meanings that for *t*-test we must used equal variances assumed with *t*-test 0,018 and 0,020. meanings that between male and female accounting firm staffs in Tangerang have different ethical judgments and ethical intentions. Ethical judgments and awareness of females accounting firm staffs reveal higher than the males.

Based on the same strength in ethical awareness among male and females accounting firm staffs in Tangerang, we have identified that each other have the same ability in knowledge as technically to have training for junior staffs in

class or on the job basis. In the next stages of ethical decision making (judgments and intentions) we have better considerate to appoint female trainers than males. Females have more high level to give consideration on ethical dilemma in average than males trainer. Female trainers with the better ethical intentions in average became more better again in strengthening their ethical judgments with much powerful argumentations.

## V. CONCLUSION

If among gender have the same awareness in ethics, we have propose to implemented, also male accounting firm staffs as the management team trainer in recognizing each ethical dilemma or questionable actions.

In the stage of ethical judgments female ethical decision making trainers should involved in the argumentation of ethics to each others, especially to promote more sustainable questionable actions became good ethical actions.

Female ethical decision making trainer will enter in ethical decision making focussed group of discussion (FGD) together male trainers. They will likely to retain their recognition about ethical dilemma became common ethical actions. Common ethical acts will discussed from time to time in seminars or ethical decision making workshops.

## VI. IMPLICATION

This study suggest accounting firm staffs in Tangerang do not only to continue their professional education with tehniques of accounting only, that is not enough. We propose also to follow periodical ethical decision making workshops or thought on the job basis or focussed group discussion.

Professional organization condition depended on country conditions, Indonesian Accountants Institutes will move each accounting firm staffs to join the scheduled ethical decision making boards or commission in professional accountants organizations.

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