

# The Role of Education in Individual Ethical Decision Making of Accounting Lecturer in Tangerang

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**Abstract**—The objective of this research is to reveal the role of education toward ethical awareness, ethical judgments, and ethical intentions of accounting firm staffs in Tangerang. Based on the previous studies education was more influent ethical decision making in the stage of ethical awareness and ethical judgments, but weaknesses in ethical intentions. Education would develop ethical idealism and more idealistic individual usually support ethical decision making. This phenomenon would describe that the implementation of education in higher education has not strong influent to Tangerang accounting lecturers ethical decision making.

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

## I. INTRODUCTION

Before the 1990, researchs about the influent of educational level had not yet revealed as the powerfull factor of ethical decision making process (Winata, Tan & Andy, 2019). The review of previous 1990 emphirical studies by Ford and Richardson (1994), announcing six studies examined the impact of educational level on ethical decision making. While three studies revealed clearly that educational level had no significant relationship with ethical decision making process (Winata, et al., 2019), the three studies described some statistical differences in ethical decisions making based on education level (Ford & Richardson, 1994).

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

Treviño (1986) and Rest (1991) used Kohlberg’s model to develop up a theory of ethical decision making that

concerning to the principles of the individual decision making. Their model brings ethical awareness or recognitions to ethical behavior, and proposes that individual factors influence throughout the process of ethical decision making rather than only ethical judgments of whether the behavior was acceptable and ethically can be applied (Haines & Leonard, 2007a).

Based on this respect, Rest developed the instrument of Defining Issues Test (DIT), that usually use to determine the stage of individual’s moral development and the reasons behind ethical decisions of individuals (Forte, 2004). Early, individual’s moral development, which is theorized to have a strong relationship with ethical judgment, was found to be positively impacted by the individual’s level of education (Kohlberg, 1981). In addition, it is argued that the length of formal education is one of the crucial variables in individuals’ ethical judgment (Winata, et al., 2019).

Based on these phenomenon we propose the hyphotheses about education level of accounting lecturers not strong again in recignizing the ethical dilemma and also weak in retaining their argumentation. Higher level educated accounting lecturer would not be more aware, and lower level of accounting lecturer would be more orientation and intention in ethics.

## II. LITERATURE REVIEW

The meaning of education was the education level of accounting lecturers in Tangerang. Musbah 2010 have explained that While fifteen studies revealed few or significant positive relationships between education level and ethical decision making process, fourteen studies showed no significant results. However, it can be concluded that research has shown clear conclusion that no significant negative relationships have been found. Students sample could be one reason in providing such findings that more than 13 of the above studies used convenience universities students; eight of these studies showed no significant results.

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.

**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

**IV. RESULTS**

The results of ANOVA described in the table 1: ANOVA:

**TABLE 1. ANOVA**  
ANOVA (136 RESPONDENS)

Independent variables	AWARENESS		JUDGMENTS		INTENTIONS	
	F	Sigh	F	Sign	F	Sign
Level of Education	1,179	0,323	0,397	0,811	1,577	0,184

In Confidence Level (CL) 90% or Standard Error (SE) 10%, level of education has enough strong F value but still has not significant streng yet imfacts on ethical awareness, judgments, and intentions as of 1,179; 0,397, and 1,577. Meanings that education level have low impacts to ethical awareness, judgments, and intentions with the significant value 0,323; 0,811; and 0,184 > 0,10 and event education has fowerfull influent to the ethical awareness and intentions, but practically to improve accounting lecturers ethical decision making was no only enough with using high educated level accounting lecturers. We also have to conducted ethical training throught on the job or as periodically scheduled in ethical judgments improvements.

**V. CONCLUSION**

Accounting lecturers with higher education and the others were not different in ethical awareness, meanings that higher education lecturer also have not enough knowledge yet in recognizing ethical questionable actions as ethical problems.

Accounting lecturers with higher education and the others were not different in ethical judgments, meanings that higher education lecturer also have not enough theoreticall experiences yet in considerate ethical questionable actions as ethical decision making.

Accounting lecturers with higher education will retired from ethical decision making focussed of discussion (FGD),

and they don’t want to retain their judgments about ethical decision making under the ethical dilemma they faced.

**VI. IMPLICATION**

This study suggest accounting lecturers in Tangerang not only enough to continue their professional education with tehniques of accounting only, but should also follow periodical ethical decision making works throught 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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