

The Effect of Accountant Professional Ethic's Education and Religiosity on Student's Perception of Accountant's Ethical Behavior

(Study on Indonesia College of Economics Bachelor of Accounting Students)

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Abstract—This study purposed to test, obtain empirical evidence whether there is an influence on the accounting professional ethics of accountants and religiosity on students' perceptions of accountant's unethical behaviour. This research was conducted to observe at the relationship between professional ethics in accountants and religiosity towards students' ethical perceptions, and to see whether professional ethics courses taken by students can form the ethical perceptions of students as prospective accountants. Ethical knowledge studied in college is expected to be able to influence students' perceptions in assessing ethical and unethical behaviour therefore whenever they work, both as corporate accountants and public accountants, they will not create similar mistakes that will doubt accountants' credibility. This research uses a type of causality research with a quantitative approach. The population used in this study is all 2017 Indonesia College of Economics Bachelor of Accounting Students who already passed professional ethics and auditing subject. The sampling technique is based on proportional sampling with a sample size of 170 respondents. The data used in this study are primary data. The data analysis model used in this study is multiple linear regression analysis. The results of the research hypothesis prove that (1) Ethics education of the accountant profession influences students' perceptions of the accountant's unethical behaviour. Students who have extensive knowledge of the ethical principles of the accounting profession will be more prudent and able to respond in the form of disapproval or refuse to ethical scandals that befall the accounting profession. (2) Religiosity influences students' perceptions of the accountant's unethical behaviour. The higher a person's religiosity and obedience to religion teachings, the more ethical his behaviour and attitude will be.

Keywords: *accountant professional ethics education, religiosity, student perceptions of accountants' unethical actions*

I. INTRODUCTION

Education is a vessel that makes a very important instrument in building human civilization from backwardness to progress. The accounting profession has a very important role in decision making by stakeholders, creditors, the government, and the public. They expect the accounting

profession to produce quality financial statements that are transparent, have integrity, prudent and accountable as a reference in making important decisions. The ability of a professional accountant who is sensitive to ethical dilemmas is also influenced by the university environment, they cannot be separated from the accountants' code of ethics education who demand that they work, and behave professionally therefore that they are taught professional ethics courses and are required to apply those standards of professional ethics at work. Accounting students as prospective accountants have to be equipped with knowledge and understanding of professional ethics in order to prepare them as a professional that are based on the ethics itself.

Professional ethics education must be applied to create an understanding among students before becoming professional accountants. As are well known accountants are always faced with conflicts of interest, and ethical dilemmas in carrying out their assignments. High pressure will be felt when accountants have to make a decision related to the existence of conflict and ethical dilemmas. Accountants must understand the ethical values of accountant professions and maintain their honesty and integrity. Professional ethic education in the accounting profession does not only focus on understanding and knowledge but also on the principles and commitment of students to ethics in the accounting profession.

Basically, a person's actions both good and bad are also based on and influenced by the level of religiosity. Religiosity cannot be separated from religious aspects. Someone who has studied ethical theories and has repeatedly attended ethics training, will not necessarily guarantee that a person's behaviour is ethical as long as his spiritual intelligence is still lacking. Religiosity has the major role of reducing and preventing deviations that violate ethics, because people who have high religiosity tend to have strong self-control, since it is forbidden by the teaching of religion. People with high spiritual intelligence certainly have high ethical behaviour [1].

A. Theoretical Basis

1) Student perceptions of accountants' unethical behavior:

Perception is a process that involves the entry of messages, understanding and giving meaning or an information to the stimulus obtained from the sensing process of objects, events, or relationships between symptoms which are then processed by the brain by making contact with the environment through its senses [2].

During their time in college, students have studied, received knowledge and obtained information related to the code of ethics, and the accounting profession both formally and informally. Therefore, information can provide different perceptions for each student in accordance with the principles and characteristics of his personality and student's intellectual knowledge. One's perception is not all the same from one another. The way individuals make decisions and the quality of their final choices is largely influenced by their perception. In this case the accounting student will choose a particular profession because he has a good and correct perception of the profession [3].

2) Accountant professional ethics education: Professional accountant ethics education is the science of ethics obtained during the learning process in the class, the process contains ethical content in the course. The ethics education of the accounting profession in general does not change the way students act in certain situations. But create more awareness to students therefore they can use the ethical dimension in decision making. Ethics education in the accounting profession can help increase the ethical sensitivity of accounting students in the formation of moral judgment and moral perception by educating them through cases and topics regarding ethical issues in education and the world of accounting. It can train students in shaping perceptions of what is happening, especially perceptions for what was done by the auditor [4].

3) Religiosity: Religiosity is the attitude of belief in accordance with religion which is a condition that exists in an individual who makes they behave and act in accordance with the level of obedience to the religion they believe [5].

Therefore, religiosity is the level of depth understanding of religious knowledge that exists in the individual, obedience, faith, and belief in the Creator Who is the guide in acting and behaving. Individuals with high religiosity will be encouraged to act and behave positively, and individuals with low religiosity will be compelled to act and behave negatively.

B. Hypothesis Development

1) Effect of professional accountant education on student perceptions: Accountant professional ethics education is a teaching conducted by universities to students in order to provide knowledge about the professional ethics of accountants. An accountant must be able to determine which actions and behaviors are ethical or unethical. To be able to determine which behavior is ethical or unethical, students must have the ethical knowledge they can obtain in professional ethics education. Students who have extensive

knowledge about the ethical principles of the accounting profession will be more prudent and able to respond in the form of disapproval or deny the ethical scandal that happened to accountant profession compared to students who are lacking of knowledge in professional ethics education. Although it is expected that students who have taken professional ethics education in accountants and have high and broad knowledge will be able to differentiate between what is considered ethical and what is unethical. Accounting students can react to disapproval by refusing ethical scandals related to the ethical dilemma of the accounting profession.

H1: Professional education in accountant ethics has a positive effect on students' perceptions of accountant's unethical behaviour.

2) The effect of religiosity on student perceptions: Religion always teaches and encourages people to conduct ethical behavior. Ethical behavior can be demonstrated when a person gets his rights therefore he just takes according to his rights without taking anything that belongs to someone else. An accountant has ethical values that are set in the code of ethics of the accountant profession which is also in harmony with religious values or in accordance with religious teachings. For example, related to professional responsibilities, religion teaches everyone to ensure responsibility for what they do. Someone who is religious is expected to have high ethical perceptions because religious orders teach ethical demands for behavior. In other words, religiosity has a positive effect on students' perceptions of accountant's unethical behavior.

H2: Religiosity has a positive effect on students' perceptions of the accountant's unethical behaviour.

II. METHODS

A. Research Strategies

This research is an associative research with causality, which a relation that purposed to investigate the possibility of a causal relationship where there are independent variables as determining variables and the dependent variable as variables that are determined [6]. The population of this study is the Indonesian College of Economics (STEI Indonesia).

B. Population and Sample

The population used in the study are all accounting students at the Indonesian College of Economics. The sampling technique used in this study was purposive sampling. Purposive sampling technique is a way of taking samples based on certain considerations, especially considerations given by a group of experts [6]. The sampling used in this research is the 4th semester students who have taken accounting ethics courses. Writer's consideration of sample chosen is because students have studied and understood the principles of the ethics code of accountants and studied the issues of manipulation of financial statements, and irregularities that occur in the accounting profession. Therefore, students are considered to have understood ethical and unethical behaviour

related to the work of accountants. Data collection was carried out by questionnaires. Questionnaires are research techniques conducted by giving questions or written questions to respondents to answer or research subjects answering about the variables tested in research [6]. The questionnaire was distributed to respondents with questions regarding the principles and code of ethics of the accounting profession. The measurement in this study uses a Likert scale. Likert scale is used to measure the attitudes, opinions, and perceptions of people or groups of people about social phenomena [6].

Analysis this study uses multiple linear regression analysis method which is processed by using SPSS version 25. To determine the influence magnitude of independent variables on the dependent variable, which the influence of professional ethics education, and religiosity on students' perceptions of the unethical behaviour of accountants. The multiple linear regression equation in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon \quad (1)$$

Information:

Y : Student perceptions of accountant's unethical behaviour.

α : Constant

$\beta_{1,2,3}$: Regression coefficient

X_1 : Professional ethics education for accountants

X_2 : Religiosity

ϵ : error / residual

III. RESULTS AND DISCUSSION

A. Effect of Accountant Code of Ethics Education Against Student Perceptions of Accountant Unethical Behavior

For the accounting professional ethics education variable, the value of t arithmetic = $13,849 > t$ table = 1.65426. Therefore, it can be concluded that the ethics education variable of the accountant profession has a significant effect on students' perceptions of the accountant's unethical behaviour. Based on the results of the statistical tests it can be concluded that H1 was accepted. The results of this study are consistent with research conducted by Mardawati [7] and Purnaningsih and Ariyanto [8] which state that professional ethics education has a significant effect on student opinion on unethical behaviour carried out by accountants.

Formal education conducted at a university that is related to the ethics of the accountant profession will provide information and influence the knowledge it has. Professional ethics subject taken by students will provide knowledge that will help in facilitating a problem can be resolved, provide what action should be done and the best solution in its resolution. Professional ethics education will provide information regarding the ethics or rules that apply in the accounting profession. Therefore, students who have taken professional ethics courses in accountants and already have ethical knowledge will better understand and behave with the applicable ethical provisions.

B. The Effect of Religiosity on Students' Perceptions of Accountant's Unethical Behavior

For the religiosity variable, the value of t arithmetic = $5.558 > t$ table = 1.65426. Therefore, it can be concluded that the accountant's religiosity variable has a significant effect on students' perceptions of the accountant's unethical behaviour. Based on the results of the statistical tests it can be concluded that H2 was accepted. The results of this study are consistent with research conducted by Sulistyo [1] and Sudibyo and Wati [9] who state that accounting students who have high religious beliefs on religious teachings will behave ethically. Individuals who have high religiosity and always pay attention to, and obey the commands taught by their religion and serve as a consideration in daily actions than individuals who have low religiosity. Decision making taken by students of high religiosity will be careful of their responsibilities and will behave more ethically towards their work. This is because the student assumes that all the deeds, he has done will provide provisions for life in the world and the hereafter. Individuals who obey religious teachings also have strong self-control and obey religious teachings by not doing unethical behaviour and actions, and always pay attention to the interests of others.

IV. CONCLUSION AND SUGGESTION

A. Conclusion

Based on an analysis of the professional ethics education of accountants and religiosity towards students' perceptions of the unethical behaviour of accountants, the conclusions are:

- The ethics education of the accountant profession influences students' perceptions of the accountant's unethical behaviour. Education with good teaching will shape students' perceptions therefore that they have high ethical perceptions towards the accounting profession. Those who have extensive knowledge will find it easy to know which is good and bad, and ethical or unethical. Therefore, the professional ethics education of accountants tends to form ethical perceptions by refusing or not agreeing to ethical violations committed by accountants.
- Religiosity influences students' perceptions of accountant's unethical behaviour. Students who have high religiosity will always try in every activity and activities carried out based on the teachings of their religion.

B. Suggestion

Based research results, then the advice given is as follows:

- 1) *Students:* Based on research results students already know about the ethics of the accounting profession that applies, therefore it is also expected that they have a commitment to ethical principles and hold fast to the ethical values that apply in carrying out their professional duties later in the work world. Students are also considered to be able to distinguish between ethical and unethical behavior. This is a good capital for students as prospective accountants in the

future. However, the emphasis of material on ethics to students during the course is very important to convey, students must further improve learning achievement, and develop themselves with skills and competencies and can prevent unethical behavior.

2) *University*: Based on the research results of the professional ethics of accountant and religiosity profession is very important to be grown in students. This can be done by Indonesia College of Economics (STEI Indonesia) by creating a curriculum based on ethics, religion and its benefits for daily life, it can also be developed by including general ethical norms both beliefs, ideology, local wisdom and formulating together with the ethics of the accounting profession and religiosity therefore Students are more sensitive to ethical issues that will be faced by students when they work as professionals.

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