

# Does Love of Money, Machiavellian, Religiosity, Socioeconomic Status, and Understanding of the Accountant's Code of Ethics Affect the Ethical Perception of Accounting Students?

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**Abstract**—The purpose of this study was to determine the effect of love of money, Machiavellian, religiosity, socioeconomic status, and understanding of the accountant's professional code of ethics on the ethical perceptions of accounting students. This research is included in the analysis with quantitative data. The sample in this study were 270 respondents consisting of accounting students. The sample selection technique used was probability sampling, while sampling in this study using simple random sampling. The method used for data collection in the survey method through a questionnaire or questionnaire. The data analysis technique used is descriptive statistical analysis and inferential statistical analysis. The results showed that love of money, Machiavellian, religiosity, and socio-economic status had a negative and significant effect on the ethical perceptions of accounting students while the understanding of the accounting code of ethics has a positive effect on the ethical perceptions of accounting students.

**Keywords:** *love of money, Machiavellian; religiosity, ethical perceptions, accounting students*

## I. INTRODUCTION

Ethics are moral attitudes related to making fundamental decisions about right or wrong behaviour. Ethical needs will be felt when the ethical elements in someone's opinion are different from others [1]. Ethical perception is how the perspective of an accounting student as a prospective accountant involves the experience and learning of the ethics of an accountant [2]. Ethical and unethical behaviour in organizations is seen as a consequence of organizational and individual influences [3].

Ethics has proven to be very important in community life activities, one of which is work. Where work ethics or professional ethics is very important to be grown in order to avoid actions that are not beneficial to others. One of the professional ethics, especially the accounting profession, is very important to maintain integrity and credibility at work. Because where integrity and credibility become very important in determining the ethical behaviour of an

accountant. This is needed because the accounting profession is very vulnerable and close to cheating [4]. Lately there have been many cases of large financial scandals by large companies involving well-known accounting firms and international accountants [4]. The case resulted in a decrease in public trust in the accounting profession.

Accounting scandals that occur in the business world such as Enron, Worldcom, etc. have tarnished the good name of the accountant profession, which can also lead to opinions and perceptions in accounting students as prospective accountants of the profession in accounting [2]. That perception will later become the consideration of accounting students in choosing work in the future [2]. This perception will later influence the personality of students to behave properly. With the knowledge of ethics, it is expected that student behaviour will be more ethical and not conduct ethical violations such as cheating in class or academic cheating.

Fraud is a form of fraud or dishonest act that is done intentionally by people who are not responsible for achieving success. Fraud is one form of ethical violation. One example of cheating committed by a student in college is copying a friend's assignment or cheating on an exam. This shows that these students do not have unethical behaviour and unethical people will have unethical perceptions. As in the study of Alviani et al [5]. Therefore, the importance of ethics in a profession, makes the accounting profession focus its attention on the ethical perceptions of accounting students as a starting point in improving perceptions of the accounting profession [6].

Therefore, there are several factors that can influence the ethical perceptions of accounting students including Love of Money, Machiavellian, Religiosity, Socio-Economic Status and Understanding of the Professional Accountant's Code of Ethics. The first factor that can influence the ethical perceptions of accounting students is Love of Money. Where in accounting learning students will often learn about financial aspects. Money becomes very close to accounting students because where their daily studies in accounting discuss about money. The relationship between accounting students and

money can influence students to carry out their actions ethically or not. Where money can affect someone's ethical behaviour. Money is a very important aspect of daily life. The importance of money and understanding of money differ from one another, where Tang and Chen [7] introduces the concept of "The love of money" as a psychological literature which is a measure of one's subjective feelings about money. Love of money measures how far someone's love for money will later affect his ethical perception [2].

The second factor that can affect the ethical perceptions of accounting students is Machiavellian. Machiavellian is defined as a process where manipulators get more rewards when they manipulate, while others get less without manipulating, at least in a direct context. Someone who has a personality or Machiavellian nature will tend to behave unethically. Because where they will do or justify any means to get what they want. Someone who behaves unethically will have a very low ethical perception.

The third factor that can influence the ethical perception of accounting students is religiosity. Religiosity is the level of belief or religious value adopted by someone [8]. Religion can function to reduce or even prevent deviant behaviour. Someone with a high level of religiosity will be able to control themselves to carry out ethical actions, this is in accordance with religious teachings to do good and not harm others [8]. Because people who have high religiosity have a strong self-control (self-control), in connection with the teachings of religion which he believes prohibits such actions [9].

Then the fourth factor that can influence the ethical perceptions of accounting students is socioeconomic status. Socio-economic status as a measure of a person's situation can be seen from the aspects of work, income and position in the community. Socio-economic status provides a picture of one's position in terms of social and economic aspects such as income, power and other things. People who have high socioeconomic status generally will not behave ethically [10].

The last factor that can influence the ethical perceptions of accounting students is the Understanding of the Professional Accountant's Code of Ethics. The code of ethics is a rule made with important components to create accountants who have ethical behaviour [11]. As an accounting student who will become a prospective accountant must be able to know and understand the code of ethics of the accountant profession in order to minimize the existence of behaviour ethical. Because where with accounting students behave ethically, they will have a high ethical perception as well.

Based on the problem above, this research will be formulated in the following questions: First, does love of Money affect Ethical Perceptions of Accounting Students? Second, does Machiavellian affect the Ethical Perceptions of Accounting Students? Third, does religiosity affect the ethical perceptions of accounting students? Fourth, does socioeconomic status affect the ethical perceptions of accounting students? Fifth, Does the Understanding of the Professional Ethics of Accountants have an effect on the Ethical Perceptions of Accounting Students?

## II. METHOD

This type of research is included in quantitative research using survey methods, this research is to examine the factors that influence the Ethical Perception of Accounting Students in the Accounting Study Program in Higher Education in Subang. The population in this research is the Accounting Study Program Students in Higher Education in Subang. The total population of this study was 474 students in the Accounting Study Program of Higher Education in Subang.

The sampling technique used in this study is probability sampling with this sampling technique using simple random sampling, namely the sampling of members of the population is done randomly without regard to strata in the population [12]. Hypothesis testing by using multiple regression.

## III. RESULTS

Variable love of money ( $X_1$ ) has a value of  $t_{\text{arithmetic}}$  amounted to -2.062 with a significant level of 0.040 where the value is less than 0.05 ( $<0.05$ ) and a negative sign (-), it indicates that the variable love of money harmful impact on the perception ethical accounting student. Thus, the first hypothesis (H1) is accepted because the love of money variable has a negative effect on the ethical perceptions of accounting students.

Variable Machiavellian ( $X_2$ ) has a value of  $t_{\text{arithmetic}}$  amounted to -2.546 with a significant level of 0.011 where the value is less than 0.05 ( $>0.05$ ) and a negative sign (-), it indicates that the variable Machiavellian harmful impact on the perception of ethical accounting students. Thus, the second hypothesis (H2) is accepted because Machiavellian variables negatively affect the ethical perceptions of accounting students.

Variable religiosity ( $X_3$ ) has a value of  $t_{\text{arithmetic}}$  amounted to -2.318 with a significant level of 0.021 where the value is less than 0.05 ( $<0.05$ ) and a negative sign (-), it indicates that religiosity variable harmful impact on the perception of ethical accounting students. Thus, the third hypothesis (H3) is rejected because where the religiosity variable hypothesis positively influences the ethical perceptions of accounting students.

Socioeconomic status variables ( $X_4$ ) has a value of  $t_{\text{arithmetic}}$  amounted to -2.004 with a significant level of 0.046 where the value is less than 0.05 ( $<0.05$ ) and a negative sign (-), it indicates that the variable socioeconomic status affects negatively to the perception ethical accounting student. Thus, the fourth hypothesis (H4) is accepted because the socioeconomic status variable has a negative effect on the ethical perceptions of accounting students.

The variable understanding of the professional accountant's code of ethics ( $X_5$ ) has a value of  $t_{\text{count}}$  3.403 with a significant level of 0.001 where the value is less than 0.05 ( $<0.05$ ) and positive (+), this indicates that the variable understanding of the professional accountant's code of ethics has a negative effect on the ethical perceptions of accounting students. Thus, the fifth hypothesis (H5) is accepted because the variable understanding of the professional accountant's code of ethics

has a positive effect on the ethical perceptions of accounting students.

#### IV. DISCUSSION

##### *A. The Influence of Love of Money on Ethical Perceptions of Accounting Students*

Based on the results of statistical tests that have been done show that there is an influence of the variable love of money on the ethical perceptions of accounting students. This can be seen from the results of the multiple regression test statistics shown by  $X_1$  where the t value is -2.062 with a significance value of 0.040, the value is smaller than 0.05 (Sig. <0.05) and the regression coefficient has a negative sign (-), then the first hypothesis (H1) in this study is accepted which in this study states that the variable love of money negatively affects the ethical perceptions of accounting students.

The influence of love of money on the ethical perceptions of accounting students indicates that there is a relationship between these factors. Love of money is defined as the nature of love for excessive money. With accounting students who have an excessive love of money they will have a low ethical perception. Because that's because they measure everything based on money. It is also in accordance with Maslow's motivation theory which explains that humans have 5 basic needs that must be met. In its fulfilment mostly involves the need for money which has an impact on excessive love for money [8]. So, it can be concluded that where students who have high love of money will have low ethical perceptions. So as accounting students who will become prospective accountants in the future should avoid excessive love of money because it will result in the emergence of unethical deeds, this is indicated where their ethical perceptions are low.

The results of this study are in line with other research [1,4,13] which states that love of money negatively affects the ethical perceptions of accounting students. Where it shows that the higher the love of money nature of the student, the lower the ethical perception he has.

##### *B. Influence of Machiavellian on Ethical Perception of Accounting Students*

Based on the results of statistical tests that have been done show that there is an influence of Machiavellian variables on the ethical perceptions of accounting students. This can be seen from the results of the multiple regression test statistics shown by  $X_2$  where the t value is -2.546 with a significance value of 0.011, the value is smaller than 0.05 (Sig. <0.05) and the regression coefficient has a negative sign (-), then the second hypothesis (H2) in this study is accepted which in this study states that the Machiavellian variable negatively affects the ethical perceptions of accounting students.

The influence between Machiavellian on the ethical perceptions of accounting students indicates that there is a relationship between these factors. Machiavellian nature is a personality trait that involves the desire to achieve a goal [14]. Someone who has a Machiavellian nature will tend to be selfish and have an aggressive nature to carry out their interests

without regard to feelings, others, morals and ethics [14]. The higher the Machiavellian nature, the lower the ethical perceptions of accounting students. This is due to the fact that accounting students still have their own interests in order to achieve their goals without regard to existing morals or ethics and that will affect their ethical perceptions.

The results of this study are in line with other research [1,4,13] which states that Machiavellian has a negative effect on the ethical perceptions of accounting students. Where this shows that the higher the Machiavellian nature of the student, the lower the ethical perception he has.

##### *C. The Effect of Religiosity on Ethical Perceptions of Accounting Students*

Based on the results of statistical tests that have been done show that there is an influence of the variable of religiosity on the ethical perceptions of accounting students. It can be seen from the results of multiple regression test statistics shown by  $X_3$  where the value t count equal to -2318 with a significance value of 0.021, the value is less than 0.05 (Sig. <0.05), and the regression coefficient has a negative sign (-), then the third hypothesis (H3) in this study was rejected.

In this study there is no evidence that religiosity has a positive effect on the ethical perceptions of accounting students. However, in theory religiosity is positive, which means that as students who have high religiosity will have high ethical perceptions, because where someone with a high level of religiosity will be able to controlling himself to carry out ethical actions [8].

But in this study where the variable religiosity is stated to have a negative effect, which means that where the level of religiosity is high, ethical perceptions are low. This is because where people who understand religion will not necessarily also do good or ethical conduct. This is due to pressure factors that make them behave unethically. This is also explained in the theory of cognitive dissonance, which in this theory suggests that human behaviour is often not in accordance with the opinions and attitudes or what they do is often contrary to their own beliefs and conscience that cannot be justified [15]. Therefore, a student who has high religiosity will not necessarily also be ethical.

The results of this study are not incompatible with research conducted by Pemayun and Budiasih [8] which states that religiosity has a positive effect on the ethical perceptions of accounting students.

##### *D. Effect of Socio-Economic Status on Ethical Perceptions of Accounting Students*

Based on the results of statistical tests that have been done show that there is an influence of socioeconomic status variables on the ethical perceptions of accounting students. It can be seen from the results of multiple regression test statistics shown by  $X_4$  where the value t count equal to -2004 with a significance value of 0.046, the value is less than 0.05 (Sig. <0.05), and the regression coefficient has a negative sign (-), then the fourth hypothesis (H4) in this study is accepted which in this study states that the socioeconomic

status variable negatively influences the ethical perceptions of accounting students.

The influence of socioeconomic status on the ethical perceptions of accounting students indicates that there is a relationship between these factors. Socio-economic status as a measure of one's position can be seen from the aspects of work, income and position in community groups [8]. Someone with high socioeconomic status tends to be more consumptive, unethical and selfish [8]. Someone who has a consumptive behaviour is usually not concerned with ethics because where they feel that they are the most powerful and have the most money. Therefore, consumptive behaviour will make someone behave unethically. And people who behave unethically will have a low ethical perception. The results of the answers collected also indicate that accounting students have adequate socioeconomic status, which means that they already tend to assume that they already have a high social status by having facilities, the level of parental education, parental income and parental positions that are already good enough compared to others whose positions are lower than theirs.

The results of this study are in line with other research [8,16] which show that socioeconomic status has a negative effect on the ethical perceptions of accounting students. Where the higher the socioeconomic status, the lower the ethical perception.

#### *E. The Influence of Understanding of Professional Accountant's Ethics Code on Ethical Perceptions of Accounting Students*

Based on the results of statistical tests that have been done show that there is an influence of the variable understanding of the accounting professional ethics code on the ethical perceptions of accounting students. It can be seen from the statistical results of multiple regression test indicated by  $X_5$  where the value t count equal to 3,403 with significant value of 0001, the value is less than 0.05 (Sig. <0.05), and the regression coefficient has a positive sign (+), then The fifth hypothesis (H5) in this study was accepted, which in this study stated that the variable understanding of the professional accountant's code of ethics had a positive effect on the ethical perceptions of accounting students.

The influence between the understandings of the professional accountant's code of ethics on the ethical perceptions of accounting students indicates that there is a relationship between these factors. Understanding the professional accountant's code of ethics is defined as an individual or someone knows and a true understanding of the professional accountant's code of ethics. With accounting students learning about the code of ethics for the accounting profession, then where they already know and understand about the code of ethics for the accountant profession. Where this is also shown from the results of the answers collected that accounting students have understood and know the code of ethics of the accounting profession. It also has a very good effect so that in the future they carry out their duties and responsibilities in accordance with the code of ethics. With accounting students already understanding the code of ethics of the accountant profession, then where it will not be inclined to

behave or deviate behaviour. And people who already behave ethically then where they will also have a high ethical perception.

This is also supported in the attribution theory developed by Fritz Heider which explains that a person's behaviour is determined by a combination of internal and external forces [17]. Understanding the code of ethics of the accountant profession is caused by internal forces, namely factors that originate from within a person, such as ability. When an accountant is able to understand the code of ethics of the accounting profession, then where he will not tend to act against the rules. In this study addressing the results where the understanding of the professional accountant's code of ethics has a positive effect which means that the higher the understanding of the professional accountant's code of ethics, the higher the ethical perception.

#### *F. Effect of Love of Money, Machiavellian, Religiosity, Socio-Economic Status and Understanding of Professional Accountant's Ethics Code Simultaneous to the Ethical Perception Accounting Students*

Based on the results of statistical tests that have been conducted show that the influence of the love of money, Machiavellian, religious, socio-economic status and understanding of the code of ethics of the accounting profession simultaneously affect the ethical perceptions of accounting students. This can be seen from the results of the regression test statistics which show that the value of sig. F is 0.000 where the value is less than 0.05 (sig. <0.05) which means that the five variables simultaneously affect the dependent variable. However, based on the value of Adjusted R Square ( $R^2$ ) of 0.083 which indicates that the effect of the five independent variables on the dependent variable only by 8.3% and the remainder is equal to 91.7% can be derived from other factors not examined in this study. From these results indicate that the hypothesis sixth ( $H_6$ ) in this study received that love of money, Machiavellian, religiosity, socioeconomic status and understanding of professional ethics affect the perception of ethical accountant accounting students.

## V. CONCLUSION

Based on the results of data analysis and discussion of each of the variables discussed earlier in this study, it can be concluded that: First, Love of money negatively affects the ethical perceptions of accounting students, so the initial hypothesis is accepted. From this it can be concluded that students who have a high love of money nature will have low ethical perceptions. Second, Machiavellian has a negative effect on the ethical perceptions of accounting students, so the initial hypothesis is accepted. From this it can be concluded that students who have high Machiavellian traits will have low ethical perceptions. Third, Religiosity has a negative effect on the ethical perceptions of accounting students, so the initial hypothesis was rejected. From this it can be concluded that students who have high religiosity do not necessarily have high ethical perceptions. Fourth, Socio-economic status has a negative effect on the ethical perceptions of accounting students, so the initial hypothesis is accepted. From this it can be concluded students who have a high socio-economic status

will have low ethical perception. Fifth, Understanding the code of ethics of the accounting profession has a positive effect on the ethical perceptions of accounting students, so the initial hypothesis is accepted. From this it can be concluded that students who understand the code of ethics of the accounting profession will have a high ethical perception. For further research, we suggest to examine other independent variable such as cognitive dissonance to make sure the ethical perception of accounting student.

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