



# The Challenge of Escalating the Ethical Behavior of Accounting Students: The Role of Islamic Beliefs

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**Abstract.** This research examines the impact of Islamic belief on the ethical behavior of accounting students, with a sample comprising 178 accounting students from Universitas Negeri Padang. Primary data was gathered through surveys using questions through a simple linear regression approach. The findings demonstrate that Islamic belief positively influences the ethical behavior of accounting students.

**Keywords :** ethical behavior, islamic religiosity, accounting students

## 1 INTRODUCTION

Accountants as a profession that has a major impact on public accountability, require ethical behaviour in carrying out their responsibilities. Ethical behaviour has the meaning of a value based on the social norms of society. Accountants are not only armed with knowledge and experience but also have accounting ethics [4].

The crisis of trust in accountants in Indonesia is due to many ethical violations. State-owned companies often become customers of irregularities and fraud. PT.Angkasa Pura (2019), PT.Jiwasraya & Garuda (2020), and PT. Adhi Karya in 2022. Even based on Indonesia Corruption Watch (2022c), in 2016-2021, state losses due to BUMN corruption cases reached Rp 47.8 trillion with 340 suspects.

Several things can influence ethical behaviour in its formation. The research of [12] shows that the variable of religiosity can influence individuals in ethical behaviour. This study focuses on Islamic-based religiosity, for statements in the study adopted from the Scale of Muslims' Views of Allah (SMVA) [3]. This study distinguishes itself from prior research conducted in Indonesia through its focus on the Islamic religiosity variable. In contrast, earlier studies within the country have predominantly considered religiosity in a broader, general context. This distinction is particularly relevant given that Indonesia is home to the largest Muslim population globally and in Asia.

[5] posits that universities hold a crucial responsibility in addressing ethical challenges within the accounting profession. They are tasked with equipping future accountants to uphold higher ethical standards. The sustainability of the accounting profession relies

heavily on the ethical values demonstrated by accounting students currently pursuing their education at universities.

Several studies show different results regarding Islamic religiosity as an independent variable. Research by [3] shows that Islamic religiosity has an effect on ethical behaviour in organizations. [6] also gives the result that religiosity affects the ethical behaviour of accounting students in higher education. [12] found that religiosity affects ethical behaviour. Meanwhile, Press research (2018) states that Islamic religiosity has no effect on ethical behaviour.

## **2 THEORY LITERATURE**

### **2.1. Theory of Planned Behaviour (TPB)**

The Theory of Planned Behaviour, proposed by [1] serves as a framework for predicting individual intentions and their subsequent behaviors. The theory consists of three key elements that influence the determination of behavior. The first is the attitude toward the behavior, referring to an individual's positive or negative evaluation of the action to be undertaken. The second is the subjective norm, representing the perceived social pressure or expectations from the environment that motivate the individual to act. The third component is perceived behavioral control, which reflects the individual's ability to manage and execute the intended behavior effectively.

Religiosity is a factor that can also control or influence ethical behaviour, because it is possible for someone to have a higher level of trust in God, the less control over him/her to behave unethically. In this study, Islamic religiosity is described as a component of TPB that can influence behavioural intentions.

### **2.2. Islamic Religiosity**

Islamic religiosity is a person's Islamic belief and understanding of Allah SWT. This Islamic religiosity teaches about the view of Islamic monotheism, behaving in accordance with that awareness or the level of manifestation of that level of awareness, or God in everyday life which is understood through the teachings of Islam [8].

The study conducted by [3], which examined students in Saudi Arabia, Egypt, Libya, and Syria, reveals that Islamic beliefs adopted by individuals influence their ethical behavior. The findings demonstrate that religiosity plays a role in shaping a student's ethical conduct. Similarly, [11] identified a notable correlation between strong religious convictions and a reduced acceptance of unethical behavior, observed in eight out of ten college students.

Two separate studies have highlighted inconsistencies in capturing the role of religiosity in ethical decision-making. The first study by [9] concluded that an individual's commitment to moral self-improvement serves as a stronger predictor of ethical behavioral intentions compared to religiosity. Conversely, [14] reported mixed findings

regarding the connection between religiosity and ethical intentions, based on analyses involving managers from the United States and Morocco.

The findings of the second study present mixed outcomes regarding the correlation between religiosity and various aspects of ethical intention. It was observed that Moroccan managers tend to exhibit higher levels of idealism compared to their US counterparts, highlighting a strong positive association between religiosity and idealism. Additionally, the study reveals that Moroccan managers show greater uniformity in corporate ethical values compared to US managers. Overall, the results suggest that idealism serves as a significant predictor of both ethical intentions and behaviors. Moreover, moral reasoning in individuals is shaped by interests and character rooted in religious beliefs. They assert that stronger faith in Allah corresponds to more ethical conduct in individuals.

This finding aligns with the research conducted by [17] on accounting students at Gadjah Mada University (UGM), Indonesia, which demonstrated that religiosity significantly influences ethical behaviour. Similarly, the study by [18] found a significant positive relationship between religiosity and the ethical behavior of accounting students at Udayana University in Bali. The present research focuses specifically on Islamic religiosity among accounting students at the Faculty of Economics, Padang State University.

The Theory of Planned Behaviour posits that intention is a crucial factor influencing an research conducted in Saudi Arabia, Egypt, Libya, and Syria shows that a student's belief in Islam impacts within the framework of the Theory of Planned Behaviour, Islamic religiosity is seen as a determinant of ethical behavior. The findings of [17] also demonstrate that religiosity significantly impacts ethical behavior. Similarly, research by [18] concluded that religiosity positively influences the ethical behavior of accounting students at Udayana University in Bali. In addition, [3] identified the belief in God as a significant predictor of ethical behavior, with studies conducted in Saudi Arabia, Egypt, Libya, and Syria revealing that Islamic belief held by students plays a role in shaping their ethical conduct.

H<sub>1</sub>: Islamic religiosity has a positive effect on ethical behaviour .

### 3 RESEARCH METHOD

This research is a type of causative research, which focuses on the effect of Islamic religiosity on ethical behavior. The data used is primary data with a survey through a questionnaire. The questionnaire statement on the Islamic religiosity variable was adopted from the research of [3], and for the Ethical Behavior variable from [2]. The statement given to the respondent uses a Likert scale measurement that has 5 (five) preferences, namely: Never (TP), Rarely (J), Sometimes (KK), Usually (B), and Always (S). The questionnaire distributed in this study has gone through 2 (two) stages of the process, namely face validity and discriminant validity.

The population in this study were undergraduate accounting students at Universitas Negeri Padang Indonesia in 2018 (8th semester) and 2019 (6th semester). This study use

purposive sampling method with the criteria for 178 undergraduate Accounting students who have learned business and accounting ethics courses.

## 4 RESULT AND DISCUSSION

**Table 1. Descriptive Statistical Analysis**

	N	Islamic Religiosity	Ethical Behaviour
Mean	178	80,13	75,04
Std. Deviation	178	6,065	7,884
Minimum	178	57	38
Maximum	178	98	85
Sum	178	14264	13358

Referring to the data presented in Table 1, the Islamic religiosity variable exhibits a mean value of 80.13 with a standard deviation of 6.065. Meanwhile, the ethical behavior variable records an average of 75.04 accompanied by a standard deviation of 7.884.

### Validity and Reliability Test

**Table 2. Test Results of the Validity of Islamic Religiosity and Ethical Behavior**

Verily Allah is Forgiving, Most Merciful	0,691	0,1471	Valid
He is All-Hearing, All-Seeing	0,698	0,1471	Valid
Allah will be very angry (Almighty)	0,723	0,1471	Valid
Allah is the Recipient of Repentance	0,746	0,1471	Valid
Allah is Loving	0,774	0,1471	Valid
Allah is All-Powerful, Most Revenge	0,813	0,1471	Valid
I do my obligatory prayers on time	0,606	0,1471	Valid
Giving alms (charity/infaq)	0,628	0,1471	Valid
Respecting parents	0,320	0,1471	Valid
Umrah	0,455	0,1471	Valid
Doing good things and not doing bad things	0,474	0,1471	Valid
Saying something I know isn't true	0,451	0,1471	Valid
During the month of Ramadan I fast fully	0,297	0,1471	Valid
Do Sunnah fasting	0,554	0,1471	Valid
Listening to music and songs	0,342	0,1471	Valid
Drinking alcohol	0,356	0,1471	Valid
I perform the Sunnah Fajr prayer (2 rakaat sunnah prayer before Fajr)	0,608	0,1471	Valid
Paying zakat (obligatory charity)	0,428	0,1471	Valid
Hajj	0,465	0,1471	Valid
Spreading malicious gossip among people to cause trouble between them	0,557	0,1471	Valid
Earn interest by depositing money in the bank	0,354	0,1471	Valid
When I see the blessings that Allah has bestowed on others I don't envy	0,387	0,1471	Valid

**Ethical Behavior**

Using campus facilities for personal use outside of campus affairs.	0,457	0,1471	Valid
Doing personal activities during lectures.	0,613	0,1471	Valid
Stealing campus inventory or property.	0,404	0,1471	Valid
Taking extra time for personal gain.	0,710	0,1471	Valid
Hiding the fraud committed by colleagues.	0,658	0,1471	Valid
Accusing other innocent students.	0,726	0,1471	Valid
Claiming work/personal assignments done by other students.	0,611	0,1471	Valid
Giving gifts to other lecturers/students in exchange for preferential treatment.	0,588	0,1471	Valid
Receive gifts from lecturers/students in exchange for preferential treatment.	0,599	0,1471	Valid
Falsifying reports regarding time/quality/quantity on coursework.	0,651	0,1471	Valid
Give sick excuses for not going to class.	0,646	0,1471	Valid
Ordering juniors to break university rules.	0,650	0,1471	Valid
Request an increase in expenses from parents of up to 10% to pay fictitious bills	0,586	0,1471	Valid

The findings presented in Table 2 indicate that the questionnaire applied to variables X and Y is validated and deemed suitable for subsequent research, as the computed r-value from the validity test exceeds the r-table threshold.

**Reliability Test**

The reliability test is conducted to assess the consistency and dependability of a question item in measuring the variables under investigation. A research instrument is considered highly reliable if its test results consistently demonstrate stable and uniform outcomes.

**Table 3. Reliability Test**

Variable	Alpha	R table	
X1	0,672	0,148	Reliable
Y	0,875	0,148	Reliable

According to the findings presented in Table 3, all variables exhibit Cronbach's alpha values exceeding 0.60, indicating that the questionnaire demonstrates reliability. Consequently, the items associated with each variable concept are deemed appropriate and valid for use as measurement instruments.

**Table 4. Classic Assumption Test Result**

Model	<i>One-Sample Kolmogorov- Smirnov Test</i>	Heteroscedasticity	
		t	Sig.
(Constant)		2,863	,005
X1a	Asymp. Sig. (2- tailed) = ,100 <sup>c,d</sup>	-1,776	,077

Referring to the findings in Table 4, the Sig variable value is recorded as 0.100, indicating that the data employed in this study is normally distributed and suitable for further analysis, as the significance value from the normality test exceeds 0.05. Additionally, the Sig data value for Islamic Religion is reported as 0.077, confirming that the data is free from heteroscedasticity symptoms and appropriate for continued research, since the significance value from the Heteroscedasticity Test is greater than 0.05.

**Table 5. Simple Regression Analysis Test Results**

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	40,066	7,417		5,402	,000
Religiusitas Islam (X1)	,436	,092	,366	4,729	,000

From the results of SPSS data processing, the estimation model can be analyzed as follows:

$$Y = + b_1X_1a + e$$

$$Y = 40.066 + 0.436X_1 + e$$

Where:

Y = Ethical Behavior

X1 = Islamic religiosity

e = Error

**Table 6. F Test Result**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1240,487	1	1240,487	22,367	,000 <sup>b</sup>
Residual	9761,154	176	55,461		
Total	11001,640	177			

Table 6 presents the outcomes of the F test, which reveal an F value of 10.430, exceeding the threshold of 2.27, with a significance level of 0.000 that is below 0.05. These results indicate that the Islamic religiosity variable significantly influences the ethical behavior of accounting students at Padang State University.

**Table 7. Coefficient of Determination Test Results**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,336 <sup>a</sup>	,113	,108	7,447

The Adjusted R Square value reflects the extent to which the independent variables in the study account for the variability in the dependent variable. As displayed in Table 7, the coefficient of determination indicates an Adjusted R Square value of 0.108, signifying that Islamic religiosity explains 10.8% of ethical behavior, while the remaining 89.2% is influenced by factors not included in this research.

**Table 8. Test Results t-test**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	40,066	7,417		5,402	,000
	Religiusitas Islam (X1)	,436	,092	,366	4,729	,000

The statistical t-test is conducted to evaluate the significance of the relationship between each independent and dependent variable. Based on Table 8, with a t-table value of 1.97385, it is evident that Islamic religiosity plays a significant role in influencing ethical behavior.

### **The Influence of Islamic Religiosity on Ethical Behavior**

This study introduces the Islamic Religiosity scale, based on [3], which initially comprised 26 statement items. After processing, 22 items were identified as possessing high levels of validity and reliability. The t-test results indicate that Islamic religiosity significantly influences the ethical behavior of accounting students who have completed courses in business ethics and the accounting profession. Statistical analysis reveals a significance value of 0.000, which is below the threshold of 0.05, confirming that variable X2 significantly affects variable Y, thereby supporting the acceptance of H2. Additionally, the coefficient value from the hypothesis test reflects a positive relationship, where an increase of one unit in Islamic religiosity corresponds to a 0.366 increase in ethical behavior.

The test results prove that Islamic religiosity in individuals has a positive effect on ethical behavior. This indicates that the Islamic religiosity of accounting students at the Faculty of Economics, UNP has the power to influence ethical behavior. The respondents of this study were accounting students for the 2018 and 2019 years, who were included in Generation Z. According to (Karim, 2020) it showed that Generation Z had the belief that religion was very important in life. In addition, generation Z's religion is patterned according to the traditions of parents, so that if Generation Z's Islamic religiosity is high, it will also influence behavior related to family life and society. According to generation Z, maintaining social, family and practical moral relationships is a form of consistency in religion.

Based on the Theory of Planned Behavior (1991), attitudes towards the environment are influenced by one's view of the results of their actions, religiosity is one of the factors that can control or influence Ethical Behavior. This research specifically uses Islamic religiosity to measure its effect. And the results obtained prove that Islamic religiosity can affect ethical behavior.

This study uses Islamic religiosity with a statement grid based on obedience to Allah SWT, practice and experience in Islam, and in the test results in an influence on Ethical Behavior. The results of this study are in line with the research of [3]; [15]; [16] which states that the view of God is a significant predictor of an individual in ethical behavior.

[10] explores the connection between ethical behavior and Islamic factors in three border provinces of Thailand. The study highlights that variables such as Islamic religious knowledge, engagement in Islamic activities, and adherence to Islamic principles significantly influence the behavior of Muslim youth. Youth exhibiting strong Islamic factors also demonstrate higher levels of ethical behavior. This is attributed to Islam's emphasis on values that guide actions and promote adherence to morality and ethics, encouraging individuals to display righteous conduct and fostering a sense of shame for committing sins or improper actions in accordance with Islamic morals and traditions.

A study on accounting students at the Faculty of Economics and Business, University of Al-Qur'an Science (UNSIQ) by [13] also shows that religiosity affects Ethical Perception. This is in accordance with what is taught in religion to always do good and be based on ethics, so that a person who adheres to religion will act according to existing rules as a form of religion. This strengthens that Islamic religiosity is a religious attitude that can support individuals to act in accordance with their devotion and obedience in religion. Thus the existence of high Islamic religiosity will increase a person in ethical behavior. Therefore, it is important to have belief in Allah, knowledge and practice of Islam to support prospective accountants in ethical behavior.

## **5 CONCLUSION, Limitations And Suggestions**

### **Conclusion**

Based on the results of previous research and discussion, it can be concluded that Islamic religiosity has a positive effect on the ethical behavior of accounting students.

### **Limitations**

In completing this research, researchers have tried to design and develop research to the fullest, but there are still some limitations to this research, namely the survey method used in the researcher.

An is an online questionnaire without an interview, so in this case the researcher is not able to strictly control the respondents' answers to the statements on the questionnaires that have been distributed, which results in biased answers from respondents' answers that are not honest in showing the actual situation. There are still other variables that are not used in this study, while these variables have an influence on ethical behavior. The scope of the research subject area is an area with a Muslim majority in accordance with the sample criteria, so it has not been able to interpret the area with a Muslim minority.

### **Suggestions For Further Research**

The results of this study are that the ethical behavior of accounting students who have taken courses in business ethics and the accounting profession can only be explained by 10.8% by 1 independent variable (Islamic religiosity) for future research, it is better to examine other variables that affect students' ethical behavior accountants who have taken courses in business ethics and the accounting profession. Future research should use a wider research sample because in this study, the scope of the sample was still narrow, namely only at Padang State University. Subsequent research should not only use questionnaires, it is also better to conduct interviews directly with respondents or use experimental questionnaires to minimize weaknesses in internal validity.

This study demonstrates that financial distress experienced by companies does not influence fraudulent financial reporting. Concerning the factors contributing to fraud, the findings indicate the presence of effective monitoring mechanisms, the reasonable implementation of accruals, and a decline in dual position holding. Despite the low incidence of fraudulent financial reporting, factors such as opportunity, rationalization, and

arrogance have a positive impact on its occurrence. The collected data reveals a natural correlation between profit targets and factors such as the pandemic and changes in leadership. However, pressure and competence are shown to have no significant effect on fraudulent financial reporting.

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