

The Ethics of Acc.

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1 THE ETHICS OF ACCOUNTING STUDENTS: A COMPARATIVE STUDY

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1 ABSTRACT

It is noted that there have been problems of ethics in the auditing happening in big companies. In addition, the issues of ethics are closely related to the auditing profession. This is believed that they are also related to the independence in doing the profession. In consequence, the auditing profession is expected to have high independency and objectivity because it has the responsibility for providing public service to the society who has trusted them. A professional accounting begins his or her career at accounting school as a student. Therefore, this study intends to answer the question of the ethics among the accounting students. Again, this study intends to examine the ethics of the accounting students by making the comparison among the accounting students of public universities and private universities, as well as at the Accounting Profession Education Program (PPA). Besides that, it also compares the male and female accounting students. The results show that that gender does not influence the student's choosing the alternative answers of either B or C, but influences them to choose the alternative of A. Further analysis also indicates that the male students have bigger probability to accept the offer to violate the existing ethics and not to tell anyone than their counterparts. It is due to the condition that the male students take more risks or face challenge in doing their job than their counterparts.

Key words: Ethics, Accounting Student, Accountant, Gender.

INTRODUCTION

So far, there have been some emerging problems of ethics in the auditing profession from the undetectable fraud and embezzling taking place in big companies to the environmental issues of *Teluk Buyat* pollution that indirectly refers to social auditing. In addition, such issues are closely related to the auditing profession besides the independence in doing the profession. Furthermore, the auditing profession is expected to have high independency and objectivity because it is related to the responsibility for providing public service to the people who have trusted them. In this condition, the auditing profession has become so critical profession that it is susceptible to the issues of ethics.

Some kinds of violence in ethics have been taking place so far in which they are

committed by the accountants, such as by fraudulence in managing accounting data for the shake of manipulating the company financial performance just as requested by the clients. It represents the violence of the professional ethics by an accountant (Murtanto and Marini, 2003). The ethics in the auditing profession in Indonesia is regulated in Indonesian Accountant Ethic Code, and accounting professional standard.

The accounting ethic code (Mulyadi, 1992) constitutes behavioral norms that regulate the relationship between accountants and their clients, accountants and their colleagues, and the accounting professional and the people. The objective of the ethic codes is to protect the members of the professional organization and the interest of the people who make use of the service provided by the professionals. The ethic codes

are established by the organizational profession, which is in the present case Indonesian accountant association (IAI) to regulate the behavior of its members in doing their profession for the people.

The existence of such code is not because of avoiding the emerging issues amid people nowadays. Actually, there are some companies practicing the fraudulence and the embezzling as recognized by the people. It is slow but decisive that accusation will be directed to those in the auditing profession. They begin not to trust the auditing profession and when it is ignored. The profession will surely be corrupt. Subsequently, the critical question is to be raised here is concerning the auditing profession, such as "What's wrong with the ethics in the auditing profession?", "Why does the presence of the Indonesia Accounting code of ethics and Public accountant profession standard is not yet effective in overcoming the problem?"

Some studies have been conducted in Indonesia trying to investigate the causal factors of the problem. They attempt to find out whether there are differences in the perception of the ethic codes. For example, Desriani (1993) makes an inference that there is a significant difference in the perception between the groups of public accountants. On the contrary, Sihwajoeni and Gudono (2000) conclude that there is not any significant difference in the perception among the existing seven accountant groups, including public accountant, educating accountants, educating and at the same time public accountants, management accountant, educating and at the same time management accountant, government accountant of the accountant ethic codes. Indri (2002) concludes that there is a difference in the perception of the Indonesian accountant ethic codes among public accountants, educating accountant and accounting students, but it is not the case of the educating accountants and accounting students.

In general, all these provide evidence showing the different claims. For example, a professional accountant begins his or her

career at accounting school as student; hence this study intends to answer the question of the ethics among the accounting students. During their study the students learn about the ethics and the accounting, including the accountant ethics. Moreover, accounting education world has somehow significant impact on the accountant ethic behavior (Sudibyo, 1995 in Murtanto and Marini, 2003).

It can raise the question such as whether it is possible that the ethical problems are caused by the understanding of the ethics since the schooling day of the professionals; whether the problems of ethics are caused by the fact that the accounting students, who are the candidates of the auditing professionals; whether they are interested in maintaining the ethics, like to take risks and challenges in doing their profession that tend to be ignorant of the ethics. Or, whether some of them who are talented in whistle blowing in the business world, which is occasionally full of fraudulence or even is not ethic at all?

Still question as such as whether the problems are caused by the difference in the gender of the accounting students considering that in many situation female students are more cooperative than their counterparts. When there is an emerging risk, the male students give more help than their counterparts (Eaghly, 1987). This study intends to examine the ethics of the accounting students by making the comparison among the accounting students of and in different education institutions. It is expected that the study provides some related parties with inputs, especially for establishing a professional ethic standard and accounting education world.

THEORETICAL FRAMEWORK AND HYPOTHESIS

The esthetics issue in auditing profession has increased globally but some studies in Indonesia examine the perception of the ethic codes of Indonesian accountants. Yet, there is still limited knowledge of the author

in examining the ethics among accounting students. Cohen et al (1995) conclude that there is a significant difference among the auditors in Latin America, Japan and U.S.A. They state that there is a tendency of unethical behavior. Karnes et al (1990) conclude that Taiwanese auditors show more negative attitude toward the presence of informal commission, while American auditors show more negative attitude toward the presence of insider trading. Dykxhoorn and Sinning (1981) suggest that the difference in the ethic attitude among the auditors is caused by the difference in the national culture. O'Leary and Derry (2000) conclude that there is a difference in ethics between accounting students of end semesters in Australia and U.K. in the rules, the cultures, and the social and economic background.

There is increasing number of females who become public accountants and the increase of the females working in other professions. Male and female have their own different values and characteristics in their working place that influence the decision-making and the practice (Betz et al, 1989 in Ameen et al 1996). Ruegger and King (1992), Galbraith and Stephenson (1993), Khanzanchi (1995) and Ameen et al., (1996) conclude that there is not any significant correlation between sex and ethics. Ludigdo (1999) also concludes that there is not any difference in the perception between male and female accountants and also between male and female accounting students in the business ethics. On the other hand, Sikula and Costa (1994 in Murtanto and Marini, 2003) and Schoderbek and Deshpande (1996 in Murtanto and Marini 2003) suggest that there is not any significant correlation between sex and ethics.

Based on the description concerning the previous studies, it appears interesting for the author to see whether there is a difference in the ethics among the accounting students. It is not viewed from the difference in the region and city of origin, but from the point of view of the colleges and university, which are Public Universities, Private Uni-

versities, and Accountant Profession Education Program (PPA).

Based on the arguments above, the hypotheses are:

H₁: There is a difference in the ethics among the accounting students of Public Universities, Private Universities, and Accountant Profession Education Program (PPA)

H₂: There is a difference in the ethics between male and female accounting students.

RESEARCH METHOD

Sampling

The sample are taken from public and private universities by using purposive random sampling, the students in Yogyakarta's colleges and universities accounting scholars with the minimum grade of B in Auditing II and taking the subject of ethics. Meanwhile, the sample of the PPA is drawn from those who have passed and been taking the subject of ethics. The reason for the sampling of the accounting students that have passed and been taking the subjects of Auditing II and ethics is that the materials of ethics is given in the auditing profession and also universal ethics and the minimum grade of B. This is due to the expectation that they understand the materials of auditing. The respondents are required to fill out the questionnaire of the study and to directly send the completed questionnaire.

Variable Identification and Measurement

The study uses the instrument that has been developed by O'Leary and Derry (2000) and this is modified from 6 scenarios into 3 scenarios with the different order from the original scenarios. In this case, each of the respondents and the respondents is asked to respond them in the form of their probability toward three alternative answers:

- (A) to accept the offer of violating the existing ethics and not to tell it to anyone,
- (B) to resign and not to tell to anyone, and
- (C) to report the ethics violence to the concerned authority

Table 1
Descriptive Statistics (Gender)

Alt.	Gender	N	Mean	Standard Deviation
A	Female	201	2.34	2.76
	Male	120	2.96	2.87
B	Female	201	5.16	3.26
	Male	120	5.38	3.22
C	Female	201	4.03	3.12
	Male	120	4.16	3.11

Table 2
Descriptive Statistics (PT/Institution)

Alt.	Universities	N	Mean	Standard Deviation
A	Private	123	3.01	2.74
	Public	69	1.57	2.56
	PPA	129	3.67	2.82
B	Private	123	5.09	3.28
	Public	69	5.80	3.46
	PPA	129	4.49	2.53
C	Private	123	3.90	3.12
	Public	69	4.25	3.21
	PPA	129	4.07	2.94

Validity and Reliability Test

The data should embody both reliability and validity test (Cooper and Schindler, 2001). The reliability test is conducted to find out the extent to which the measurement remains consistent. This test is conducted by calculating Cronbach Alpha. Further, an instrument is considered to be reliable when it has the Cronbach Alpha of more than 0.5 (Hair et al, 1998).

The validity test is conducted to find out how good is the ability of the instrument in measuring the concept supposed to measure. It is conducted by analyzing the factors to make sure that each of the questions is classified into the determined variables, which means construct validity. A variable is considered to be valid when it has the loading factor of more than 0.4 and the value is more than 1 (Hair et al, 1998).

Analysis Instruments

The analysis instruments used in the study are ANOVA and Independent Sample T-test.

DATA ANALYSIS AND DISCUSSION

Data Description

The number of the returned questionnaires is 107 and all of them are eligible for analysis. They consist of 66 female respondents (61.68%), while the remaining is 41 male respondents (38.32%). The respondents coming from the private universities consist of 41 students (38.32%), those from the public universities 43 students (40.18%) and those from PPA are 23 students (21.5%). The age of respondents is in the range of 20-27 years old.

Validity and Reliability Test

Validity test is conducted using factor analysis and indicates that the instrument is valid. The reliability test is conducted by calculating Cronbach Alpha. The result shows that all of the instruments are reliable because they all have the Cronbach Alpha of more than 0.5.

Table 3
Hypothesis Test (Gender Variable)

Gender	ρ
A	0.056
B	0.559
C	0.721

Table 4
Hypothesis Test (Private Universities and PPA)

Private Universities and PPA Students	ρ
A	0.116
B	0.193
C	0.712

Table 5
Hypothesis Test (Private and Public Universities)

Private and Public Universities	ρ
A	0.000
B	0.097
C	0.387

Table 6
Hypothesis Test (PPA and Public Universities)

PPA and Public Universities	ρ
A	0.000
B	0.006
C	0.706

Descriptive Statistics

The results of the analysis indicate the descriptive statistics as presented in Table 1.

Hypothesis Test

The results of the hypothesis test indicate the results as in Table 3. As shown in Table 3, gender variable, ρ of the alternative answers B and C is statistically insignificant at the significance level of 0.05. It means that the gender does not influence the students to choose the alternatives of B and C. Meanwhile, the ρ for the alternative A is statistically significant at the significance level of 0.1. It means that the gender influence the students to choose the alternative answer A.

Further analysis indicates that the aver-

age or the mean for the male students is bigger than that of the female students. It means that the male students have bigger probability to accept the offer of violating the existing ethics and not to tell anyone than the male students. It may be caused by the fact that the male students takes more risk and faces challenge in doing their job than the female students.

It is shown in Table 4, that the variable of the private universities is given that the ρ of the alternative answers of A, B and C is statistically insignificant at the significance level of 0.05. It means that the college and the private universities do not influence the students to choose the alternative answers A, B and C. It means that the college and the

Private Universities and PPA do not influence or contribute to the probability of the students to choose the alternative answer A, B and C. In addition, it also indicate the same average or the same mean of the alternative answers A, B and C for the students both coming from Private Universities and PPA.

As presented in Table 5, for the variable of both the public and private universities is proven that the ρ of the alternative answers B and C is statistically insignificant at the significance level of 0.05. Thus, they do not influence the students to choose the alternative answers B and C. Meanwhile, the ρ of the alternative answer A is statistically significant at the significance level of 0.01. Therefore, they influence the students to choose the alternative answer A. Further analysis indicates that the average and the mean for the students coming from both universities showing that students coming from the private universities have higher probability to choose the offer of violating the existing ethics.

Finally, in the Table 6, the variable of PPA and public universities PTN it is of 0.05. Therefore, it can be said that both public universities and PPA do not influence the students to choose the alternative answer C. Meanwhile, the ρ of the alternative answers A and B is statistically significant at the significance level of 0.05. Thus, public universities influence the students to choose the alternative answers A and B. Further analysis indicates that the average and the mean of the students coming from the PPA are higher than those coming from the public universities to choose the alternative answer A.

The above evidence provides claim that the students coming from the PPA have bigger higher to accept the offer to violate the existing ethics and not to tell anyone than those coming from the public universities. Next is the data that indicates that the average and the mean for the students coming from the public universities are higher than those coming from PPA to choose the alter-

native answer B. It means that the students coming from the public universities have higher probability to choose to resign and not to tell anyone than those coming from the PPA. It is believed that the most of the students of the PPA have worked and hence have a working experience that they are able to make risky decision. In that case, they have probability to accept the offer to violate the existing ethics that is higher than those coming from public universities who have not any working experience and then they decide to resign and not to tell anyone.

CONCLUSION, IMPLICATION, SUGGESTIONS, AND LIMITATIONS

As argued and described based on some evidence above, some conclusions can now be drawn as the following. First of all, gender does not influence the students to choose the alternative answers B and C, but influences them to choose the alternative answer A. In addition, it can be stated that the male students have higher probability to accept the offer to violate the existing ethics and not to tell anyone than their counterparts. This is due to the condition that the male students take more risks or face challenge in doing their job than their counterparts.

Secondly, the private universities and PPA not influence or contribute to the probability of the students to choose the alternative answers A, B and C. Again, both private and public universities do not influence the students to choose the alternative answers B and C, but influence the students to choose the alternative answer A. Beside, it can be argued that the students coming from the private universities have higher probability to accept the offer to violate the existing ethics and not to tell anyone than those coming from the PTN.

Finally, public university and PPA do not influence the students to choose the alternative answer C, but influence the students to choose the alternative answers A and B. Besides that, it also shows that the students coming from the PPA have bigger probability to accept the offer to violate

the existing ethics and not to tell anyone than those coming from public universities. Meanwhile, the students coming from public universities have higher probability to resign and not to tell anyone than those coming from the PPA. It is because they have completed the PPA and have a working experience that they are able to make a risky decision. Yet, the probability to accept the offer to violate the existing ethics is still higher than those coming from public universities who have not had any working experience and decide to resign and do not tell anyone.

It can be implied that it is necessary to maintain and improve the learning process of the ethics by putting more emphasis on the ethics-containing subjects. It is clear that there is not any difference in the perception of the ethics between the female accounting students and the male accounting student and also among universities.

Limitation and Suggestion

It is admitted by the researcher that this study embodies weaknesses, especially concerning the sample. They are taken in a special area that is the District of Yogyakarta. Due to such condition, it might not be generalized for all areas other than Yogyakarta. So, it is advisable for further research to take account of wider scale such as Indonesian accounting students in other areas and more number of respondents.

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