

## ACCOUNTANTS MORAL JUDGEMENT IN RELIGIOUS AND NON-RELIGIOUS SCHOOL BACKGROUND'S PERSPECTIVE

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**Abstract:** *This study aims to review the conduct of investigation regarding moral judgements between accountants with religious and non-religious school background using moral indicators (moral judgment). Multiple linear regression analysis used in this study. To review the partially relationships between variables, the study operated using T-test, whereas for review simultaneous relationships between variables the study used F-test. This study using 86 respondents as a data source for review processed. The findings of the research is the Religious Background (X1) significantly affected the Accounting students morality judgement (Y), while the difference of Gender (X2) showed the opposite results.*

**Keywords:** *Morality Judgements; Sharia Accounting*

## INTRODUCTION

Research in business ethics involving the accounting profession more intensively done. This is a re-sponse to the rise of global scandal phenomena associated with the ac-counting profession, such as the En-ron case involving Arthur Andersen's accountant and the WorldCom case. In Indonesia there are also similar cases, such as the case of state-owned pharmaceutical company PT. Kimia Farma is found to have done finan-cial engineering.

In addition, enhancement in the ethical financial research caused by the motivation to explore a broader range of empirical propositions that indicate low level of moral judgment of accounting proffesion (Low, 1992, Poneman and Gabhart, 1994 ). Poneman and Gabahrt (1994) found-ed in their research results that ac-counting student and accountants have a lower P-score than another.

In the view of descriptive ethics, ethical problems or moral dilemma can occur due to various factors. One of them is from individual attribute: political ideology, religion, and gen-der. Research on the relationship be-tween gender and morality has been most undertaken amongst others by Martadi and Suranta (2006). They tested gender influences on business ethics perspective. Another study done by Thomas (1984), Swenney (1995), Eynon et al. (1997) examine gender differences in morality as-sessments. These studies tend to find that woman stafs of accounting firms tend to have higher P-scores than their male counterparts.

In addition to gender, moral dilemma is also affected by another factors, one of which is religion. Reli-gion is a set of moral rules that gov-ern the adherents of how to behave and act. Study about the relationship between morality and religion itself is relatively

little done. McPail and Walters (2008) in his professional ethical models exclude religion as a individuals attribute. Even though according to Kohlberg (1984), reli-gion helps individu in answer to ethi-cal dilemmas.

Nowadays, criticism of the capital-istic economic system more in-creased. As an alternative, islamic economic system called the Sharia system is increasingly ogled. In In-donesia, there are around 3000 units of Sharia Banking (OJK, 2016). This requires more demand for account-ants personnel who have an skill in a shari'a transaction.

However, efforts of this "Islami-zation" of banks in the expansion of financial institutions is still consid-ered as an incarnation of a new capi-talistic institutions with religious symbols by common banks. This is as disclosed by Vinsen (2007) and Su-hendi (2008) who found that there is still a lot of consumer credit from sharia banks. This indicates that sha-ria banks are still less chosen in the investment sector or real sector which will have an impact on the economic growth of the community.

Previous research that investigat-ed the relationship between religious values and ethical behavior tends to be explored in countries who has dif-ferent cultures and economies with Indonesia (Stephen et al., 2004; Allmon et al., 2000; Barnett et al., 1996). In addition, research conduct-ed by Stephen et al., Also uses sam-ples with a background of business students. This research tries to do more specific sample selection that involves accounting students. With that uniqueness, this research then important to consider the increasing awareness of the need for the absorp-tion of ethical values in accounting education.

### **Literature Review**

#### ***Religion and Moral Judgements***

The influence of religion on ethi-cal

behavior has been documented in many studies. Both more specific re-search and research in the wider field. Among the studies exploring student fraud (Allmon et al., 2000; Barnett et al., 1996), insider trading behavior (Terpstra et al., 1991). The relationship between religious values to ethics is found by several studies (Siu et al., 2000; Smith and Oakley 1996; Miesing and Preble, 1985) whereby it is concluded that the higher level of religious values held will generally be associated with higher levels of ethical behavior.

The relationship between ethics and the behavior of morality can be viewed by the Theory of Development Stage of Kohlberg. This theory has been widely used as a basis in re-search investigating ethical relationships with religion (Stephen et al., 2004). Kohlberg in Stephen et al. (2004: 384) stated that:

“... religion is a conscious response to, and an expression of, the quest for the ultimate meaning for moral judging and acting. As such, the main function of religion is not to supply moral prescriptions but to support moral judgment and action as purposeful human activities. If this is true, it implies that a given stage of solutions to moral problems is necessary, but not sufficient, for a parallel stage of solutions of religious problems.”

Theories which suggest that there is a close relationship between ethics and religion mentioned above have been confirmed in many studies (Stephen et al., 2004; Allmon et al., 2000; Barnett et al., 1996). Those studies have been based of the following hypothesis:

H1: Accounting students with a religious college background tend to behave more ethically than accounting students with non-religious college backgrounds.

#### ***Gender and Moral Judgements***

Gender and its influence on ethical

behavior is classified by McPail (2003) in individual attributes within the framework of ethical dilemmas faced by individuals. In other literature, the differences in ethical behavior are explained by Gender Identity Theory. The theory of gender identity suggests that gender phenomena are multi-factor consisting of sex (biological), instrumental and psychological expressive treatment, and gender role perceptions (McCabe et al., 2006).

Research that examines the relationship between gender and ethical behavior has been widely practiced both in the broader business context and in non-business contexts. Among them are Schlaefli et al. (1985) who used the DIT indicator showed that women consistently had higher DIT scores (higher ethical behavior) than the male DIT scores. In the field of accounting research generally shows that women have high DIT scores compared to men (Shaub 1995, Swenney 1995, Eynon et al., 1997). On the basis of this partially synthesized study confirming the existence of gender differences and ethical behavior, the second hypothesis is stated:

H2: Accounting women students with a religious college background tend to behave more ethically than Accounting men students with religious colleges backgrounds.

#### **Research Method and Design**

##### ***Research Variables***

This research used one dependent variable that is Moral Judgement, indicators obtained from Ethical Vignette Questionnaire. Meanwhile, the independent variable in this study is dummy variable by differentiating between students who have religious college background (symbolled “0”) with non-religious college background (symbolled “1”). In addition, independent variables also include gender over students in accordance with

the hypothesis to be tested.

### **Data Collection**

The type of research data is a qualitative, that is the data measured by using the Likert Ratio Scale. Sources of data in this study is primary data, in the form of data obtained from the questionnaire provided to the respondents.

Respondents of this study was chosen based on the purposive sampling method, by selected students based on predetermined criteria. The respondents criteria used in this study are as follows:

1. Students are minimal in the 6th semester of each category of respondents, it is envisaged that in the sixth semester, students have received ethical and moral education from their educational institution.

2. Students have programmed Business and Profession Ethic subject in their campus.

### **Data Analysis**

This research used multiple regression analysis method. Multiple regression analysis is used to estimate and explain the relationship and influence of independent variables to dependent variables. The classical assumption test is performed before performing the multiple linear regression analysis. This test is useful to ensure the parameter values for valid testing. The classic assumptions that must be met to test this analysis include: multicollinearity assumption test, auto-correlation, heteroskedasticity, and normality (Ghozali, 2009).

Furthermore, to determine the ability of independent variables to provide an explanation of the dependent variable used Coefficient of Determination (R-Square). To find out whether each independent variable is significant or not to the dependent variable the T-statistic test is used. The F-statistical tests is used to see how large the overall independent or joint variance influence

on the dependent variable.

### **Finding and Analysis**

The data collected using the Ethical Vignette Questionnaire Indicators. The questionnaire was distributed to 100 respondents consisting of 50 students representing respondents of religious background and 50 students representing respondents at non-religious colleges. Respondents of religious background in this research is a student of Accounting Program of UIN Alauddin Makassar. Meanwhile, the general respondent is a student of Accounting Program of Universitas Negeri Makassar.

From the 100 questionnaires distributed, only 92 returned questionnaires were recorded. Of the 92 collected, questionnaires whose data can be used for this study were only 86 questionnaires, consisting of 38 of the respondents of religious background and 48 of the respondents were non-religious background.

### **Test Of Goodness Of Fit**

Based on regression result, noted that the determinant coefficient ( $R^2$ ) is 0.713. This means that together variables  $X_1$  (religious background student), and  $X_2$  (gender) provides an explanation variation of 71.3% to the Morality Judgement. The other 28.7% is explained by other variables not included in the estimation model, or caused by disturbance error.

### **Partial and Simultaneous Significance Test**

Obtained value that  $F\text{-test} > F\text{-table}$  ( $7,439 > 5,14$ ). This means that independent variables are able to give significant influence to the dependent variable. Partially, the influence of Religious Background and Gender on Moral Judgement, with  $\alpha = 5\%$  and  $df = 6$ , obtained t-table value of 1.94. Based on the t-table value and assuming  $t\text{-statistic} / t\text{-test} > t\text{-table}$ , the independent variable that have affected

to the dependent variable is the Religious Background (t-test = 2,585), while the variables have no significant effect is Gender (t-test = -1,859).

### ***Impact of Religious Background to Moral Judgement***

Religious Background proved to have a positive and significant influence on Student Moral Judgement, it is seen in probability value that is equal to 0.041 and coefficient value X1 is 1.576. From the results of data processing, it appears that basically there are differences in morality re-view between Accounting students with religious background and Accounting Students non-religious background.

After doing a further review, the significance of Religious Background influence on Student Moral Judgement is due to the fact that the curriculum in the Religion based College is designed in such a way for the purpose of understanding religious which leads to the improvement of the morality of their students. While in non-religious colleges, researchers suspect that the placement of courses related to ethics and morality lessons such as Religious Education is offered only with very little portion. Furthermore, it turns out that the new Profession and Business Ethics courses are offered to Students by 2015 after the Program revised their curriculum.

### ***Impact of Gender to Moral Judgement***

Based on the test results, it appears that Gender has no significant influence on the Student Morality Judgement. This is seen in the coefficient X2 is -1,742 and probability value 0.112. So it can be concluded that in this study the sex difference is not significant in explaining and influencing the variation of change Student Moral Rating.

### ***Implication dan Limitation***

This study finds that learning and cultivation of religious values will affect

the level of a person's moral judgment, so it should be up to the educational institutions to increase or increase the proportion of religious subjects. The study also suggests that there is no difference between men and women on morality judgments, so it will be unfounded if there is still an early conclusion that men are more moral than women or vice versa.

This study certainly has some limitations. First, this study uses only a sample that is limited to the dichotomy of two religious backgrounds, so that its generalization will be limited. Secondly, the number of respondents used in this study is very little, which certainly causes the bias potential of research findings.

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