**The effect Of Ethical Orientation, Gender And Religiosity On**

**Ethical Judgement Accounting Students**

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**Abstract**

*This study aims to determine the effect Ethical orientation, Gender and Religiosity on Ethical JudgementAccounting Students. This research is a causative research. The population was Accounting students at Economic Faculty Universitas Negeri PAdang . There were 92 respondents in this study. The research data was obtained through questionnaires. Data was analyzed by using double regression analysis. The results of this study are: (1) Ethical orientation idealism has significant positive effect on ethical judgment, but relativism has no significant effect on ethical judgemnet. This study failed to prove Gender and religiosity has no significant effect on ethical judgement.*

**Keywords**: *Ethical orientation, idealism, relativism, gender, religiosity, ethical judgements*

**Introduction**

Profession as an auditor is a profession that gives positive value to the company. Judgment of an auditor in the form of opinion is needed by the company because it is a marker of reliability of financial statements of the company. So the information presented in the financial statements can be trusted. This information will be used by stakeholders in decision making.  
  
There are several attitudes that should be maintained by the auditor such as honesty, integrity, independence. Based on the above mentioned the auditors should always put the moral at the highest level that must be maintained. When the assignment of the auditor obtains a fee from the company issuing the financial statements. The auditor will face a dilemma situation between following the auditor's professional standards or will follow the client's wish to give an incorrect opinion.

There are many cases that show the failure of the audit, the most well known case of Enron and world com that inflate the earnings involving KAP Arthur Andersen in giving an audit opinion in 2001. Other cases that have occurred in indinesia are cases involving KAP purwanto and Rekan who is an Indonesian partner of Ernst and Young (EY), which has been proven to play a role in the failure to audit the financial statements of PT Indosat in 2011, thus obtaining sanctions from the Public Company accounting Oversight Board (PCAOB). In this case KAP Purwanto failed to provide supporting evidence for the lease of 4000 cellular manas not included in Indosat's financial statements for fiscal year 2011, so KAP provides unqualified opinion. This case of audit failure does not only occur in the private sector but also in the public sector. Tribunnews.com 2017, reported that there was a bribery case that hit 23 auditors BPK RI related to the sale and purchase of unqualified audit opinion, the value of bribes between eighty million rupiah to 1.6 billion rupiah.

From the series of cases above shows that the auditor ignores ethical judgment in carrying out its duties, resulting in a lot of failure audit. This research we do on accounting students. We consider it very important to foster ethical values in accounting students, since most of them will be accountants or auditors in the future. They must have started to recognize the value of ethics since it started in lectures.  
  
Some studies use accounting students as a substitute for accountants such as; Ballantine and McCourt, 2016; Azevedo-Pereira, 2009). Ethical decision-making process can be formed through the process of student education in accounting majors, and the student's ethical behavior will continue in the future as they work later, as accounting professions relate to ethical positions of accounting students as future accountants (McNair and Milam, 1993 ).

The term Ethical judgment is operated as a respondent's attitude to the acceptance of certain ethical situations (Weeks, Carlos, Moore, McKinney and Longenecker, 1999). In other words ethical judgment is the determination of action based on the most ethical ethical ethics based on professional auditors' ethical code. A series of research in the field of psychology about ethics has been done a lot like Forsyth (1984), Rest (1986) and etc.  
  
Ethical judgment leads to the making of a consideration as to whether the exact truth of the action is ethically as it should be done. Rest (1986), initiated a model or framework for the analysis of four framework components to examine the development of individual moral thinking processes and the moral or ethical behavior of individuals in making decisions whereby each component affects moral behavior and failure on such components can lead to unethical behavior Chan, 2006). Rest (1986), states that to behave morally or ethically an individual before must, at least, perform four basic psychological processes.  
The ethical decision-making model proposed by Rest (1994) can be seen in Table 2.1 below:

**Tabel 1**

**Rest Component Proses Psychology**

|  |  |
| --- | --- |
| Psichology Proses | Result |
| 1. Moral sensitivity | Moral Identification dilemmas |
| 1. Consideration | Moral Consideration for ideal dilemma solution |
| 1. Deep Consideration | Wilingnes to Obey or disobey |
| 1. Moral Character | Moral behaviour |

The first component of the Rest framework (1986) is ethical sensitivity or ethical perception that begins with the belief that a situation has ethical implications. This second component is ethical judgment, ie consideration to be taken to anticipate ethical dilemma (Rest, 1994). Ethical judgment concerns the various actions which, as evidenced by the first component, of ethical perceptions are more morally justified (morally right and good). The process of this stage of ethical consideration includes the ethical thought of its professional judgment in an ideal solution to an ethical dilemma (Thorne, 2000 in Wibowo, 2007).

The third component deals with the intention to obey or disobey the ideal solution. This third component is ethical motivation, defined as the importance given to moral values ​​compared to other values. Ethical motivation can occur just as when actualization or protection against the interests of the organization is interpreted more important than doing the right thing (Thorne, 2000 in Wibowo, 2007). The fourth component is the ethical character, which refers to traits or personalities such as ego strength, perseverance, fortitude, and courage necessary to overcome obstacles in completing right action (Rest, 1996 in Wibowo, 2007).

Forsyth (1984), menjelaskan bahwa terdapat dua dimensi ethical orientation, yaitu idealism dan relativism. Idealism adalah suatu konsep yang mengacu pada hal-hal yang dipercaya oleh individu untuk melakukan tindakan yang benar untuk menghasilkan kenyataan yang baik dan sebaliknya, tindakan yang salah akan menghasilkan tindakan yang buruk. Individu yang memegang konsep ini memiliki keyakinan yang teguh pada aturan moral universal yang berlaku.

There are several factors that influence ethical judgment which will be discussed in this research, including ethical orientation, religiousity and gender.

Forsyth (1984), explains that there are two dimensions of ethical orientation, namely idealism and relativism. Idealism is a concept that refers to things that individuals believe to do the right thing to produce good reality and vice versa, wrong actions will result in bad actions. Individuals who hold this concept have a firm belief in the prevailing universal moral code.

An auditor who has an idealistic concept tends to provide ethical judgment disagrees with the unethical behavior performed by auditors or accountants. In other words, the higher the level of auditor idealism, the higher the ethical judgment. This is in accordance with the results of research Ballantine and Mc Court (2011) which states that the level of student idealism that has completed the audit course if faced with the ethical dilemma situation will tend to follow the professional code of ethics auditors. From the above explanation then the hypothesis that can be built is:

*H1a: Idealism has a positive effect on ethical judgment*.

The second dimension of ethical orientation is relatisvm. Relativism is a concept of individual belief that rejects universally applicable moral rules and further supports a moral approach that depends on a particular individual and situation (Forsyth, 1984).

Auditors within the audit assignment often face a dilemma when faced with an offer from clients to make audit decisions that benefit the client and the auditor's personal self and ignore the professional auditor's ethical code. Auditors who have a relativism mindset will respond to the dilemma situation by acting unethically. This is in accordance with research Ballantine and Mc Court (2011) which relate negatively to ethical judgment. In other words, the higher the relativism level, the lower the ethical judgment. Based on the above discusion the folowing hypothesis is proposed:

*H1.b: Relativism negatively affects ethical judgment*

Gender is a trait attached to men or women socially and culturally. Based on Gillian, 1982, women are more ethical than men. Men will be more rational than women in the face of problems and tend to prefer the challenge than women. Women, on the contrary, are more emotional and tend to avoid problems (Weeks, et.al, 1999). This theory is in agreement with the results; Shaheen's research, Mashori et.al (2015), that women tend to be more assertive in dealing with unethical things happening around him than men. So the proposed hypothesis is:

*H2: Women tend to be more ethical in ethical judgment*

Another factor suspected to affect ethical judgment is religiosity. According to Hofstede (1980), culture is the norm, value and belief of a particular group or community in a particular area or geographical location, and shared by its members. Therefore, values ​​are regarded as the deepest and most difficult cultural level to change, and in turn will affect the social systems and institutions of a particular country (Muhammad and Husin, 2015).

Religion is an important part of a culture (Hunt and Vitel, 1986). This is because religion influences the way individuals behave and influence individual perceptions. Religion is the source of the development of ethical codes that will be implemented and believed by the individual. Religious ethics is an ethic that depends on the guidance of a supreme person, who sets the standards of right and wrong. Thus, the source of ethics is identified as God. God gives ethical direction through written command or through prayer (Keller, Smith, Smith, 2006). In Islam the written command of God is contained in the Qur'an. According to Abd. Halim, (1990), one of the basic elements of the religion of Islam is that Akhlaq (moral and values) is a code of ethics that must be observed by a Muslim in doing all aspects of his life (Muhammad and Husin, 2010). The Qur'an clearly provides direction to Muslims with a set of rules and values ​​that are perfect and can be applied in all circumstances. This is in contrast to other cultural factors that may be affected by changes in the economic and political environment (Abdullah and Siddique, 1986, in Muhammad and Husin, 2010). Comprehensively, religiosity in Islamic perspective can be divided into 3 dimensions, namely; faith, shariah, and morals (ihsan), all these dimensions are interconnected with one another (Hisna, 2018). A Muslim with a high level of religiosity will be more responsible for himself and his environment, compared with those who do not. Because a Muslim will combine three dimensions in an Islamic perspective. The results of research conducted by Jaafar, Kolodinsky, McCarthy, and Schroder (2004), teenagers who represent Muslim teenagers bring Islamic values ​​in ethical judgment, when compared with American teenagers represent teenagers in a secular country that is more concerned with the consequences of self personally for his actions. Thus it can be concluded that a Muslim will bring the values ​​of Islamic goodness in doing ethical judgment. The higher the religiosity level of an auditor or accountant, the better the ethical judgment.

*H3: Religiosity positively affects ethical judgment*

**Method**

This research is conducted to students majoring in accounting faculty of state universities of padang economics who have received auditing courses living and living in West Sumatra. This student is a representation of Minangkabau society which is famous for their viscosity of Islamic values. This is also in accordance with the philosophy of Adat basandi syarak, syarak basandi kitabullah, which became the life philosophy of the people in Minangkabau. In other words the Minangkabau people apply the values of the Qur'an in their daily life.

The population of this study are students majoring in accounting for the economics faculty of state universities in Padang who have received auditing courses, namely angkjatan 2010, 2011, 2013, 2014, 2015 which amounted to 283 people. The method of selecting the sample using random sampling is by calculating using slovin to get the number of samples of 168 students. Methods of data collection using questionnaires and data testing using multiple regression

This research model is:

Y = α + β1X1a– β1X1b + β2X2 + Є

Note : Y = *Ethical Judgement* X2 = *Gender*

α = Koefisien Intercept (*konstanta)* X3 = *Religiosity*

β = Koefisian Regresi

X1a = Idealisme

X1b = Relativism

**Results and Discussion**

Demographic statistics show that from 92 respondents 67 people or 72% are women and the rest of 25 people or 28% are male. Test F Test shows that the value of F Score is 4.424 greater than the value of F Table 2.47 and significance level of 0.00 is smaller than 0.05. The adjusted value of R2 shows a value of 0.131 which means that this research variable contributes 13.1%. While the rest of 0.869 or 86.9% contributed by other factors not examined in this study. Furthermore, to see the partial influence of each independent variable to the dependent variable can be continued with t test.

1. The influence of idealism on ethical judgment of accounting students

The results showed that idealism (X1a) has a positive effect on ethical judgment of accounting students who have taken audit (Y). This is evidenced by the results of regression analysis with a significant value smaller than the level of significant (0.00 <0.05) which means the variable X1a significant effect on y and the value of regression coefficient shows the direction of positive relationship of 3.841 so that H1a accepted.

When an auditor is in a dilemma situation, someone who has a good ethical judgment should give a disagreeable answer. People who are high ideals will tend to resist or can not tolerate actions that violate ethical values. Students with high ideals will have a high ethical judgment in rejecting unethical behavior that violates professional auditors' ethical code.

The results of this study are consistent with the results of research conducted by Aziz (2015) which states that idealism has a significant positive effect on ethical judgment of accounting students for the ethical dilemma they face.

2. Effect of Relativism on ethical judgment

The results showed that Relativism (X1b) has no significant effect on ethical judgment of accounting students (Y). This is evidenced by the regression results with a significant value greater than the level of significant (0.761> 0.05). These results show that the variable X1b has no significant effect on y and the regression coefficient value indicating the direction of negative relationship is -0.304 so that H1b is rejected. The results of this study are not in accordance with the research Forsyth (1980) but the concepts with research results Ballantine and Mc Court (2011). This shows that the ethical orientation of relativism is not a strong determinant for auditors and accounting students in determining ethical judgment in dilemma situations (Ballantine and Mc Court, 2011).

3. Women are much more ethical in doing ethical judgment

The results of the study show that gender (X2) in this case female students who have taken the audit subject do not always adhere ethically in ethical judgment (Y) when in situations of ethical audit dilemma. This is evidenced by the regression results with a significant value greater than the level of significant (0.301> 0.05) which means the variable X2 has no significant effect on y and the regression coefficient value which shows the direction of negative relationship of -1.041 so that H2 is rejected.

The results of this study are in line with the results of research Ballantine and Mc. Court, (2011) found that male and female accounting students who have taken audit courses have the same ethical judgment in the face of ethical auditor dilemmas. This is because now there is already gender equality between men and women, which is different from the past. This makes women considered to have the same rights in doing the job and appreciate themselves in various areas of life similar to men. The patterns of women's thinking in ancient times are now slightly different, including the courage in taking and taking risks. In the face of a situation of ethical dilemmas, women are no longer ashamed as they once were. Women today are more courageous in determining attitudes and taking risks to perform actions that are of benefit to themselves. This is in accordance with the structural socialization approach, where men and women will shape attitudes.

4. Religiosity has a positive effect on ethical judgment

The results showed that the level of religiosity (X3) in this case accounting students who have taken the audit subject does not always candiung ethical conduct in conducting ethical judgment (Y) when in situations of ethical audit dilemma. It is proved by regression result with significant value greater than level of significant (0,196> 0,05) which mean X3 variable has no significant effect to y and regression coefficient value showing negative direction of relationship equal to -1.304 so H2 is rejected. This indicates that there is no significant difference between students who have a high degree of religiosity and who do not in making ethical decisions.

**Conclusion**

Based on the results of research and discussion it can be concluded as follows:

In this study can show that there is a positive influence between Idealism against Ethical Judgment. In this study can show that there is no negative influence between Relativism to Ethical Judgment. This study can not prove that women tend to be more ethical in Ethical judgment and Religiosity has no significant effect.

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