CAN ACCOUNTING EDUCATION SOLVE ETHICAL DILEMMAS? THE ROLE OF EDUCATION, RELIGIOSITY, AND LOVE OF MONEY

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Abstract

This research aims to determine the influence of education level, religiosity, love of money on accounting professional ethics. This research using a quantitative approach. The data collection method uses primary data by giving questionnaires to respondents. The population in this study were accounting students in Java. The sample in this research used the Purposive Sampling method. The analysis technique uses multiple linear regression analysis methods. The research results show that the level of education has a positive effect on professional ethics as evidenced by the regression coefficient value showing a positive relationship. Religiosity has a positive effect on professional ethics as evidenced by the regression coefficient value which shows a positive relationship. Love of Money has a negative effect on accounting professional ethics as evidenced by the regression coefficient value showing a negative relationship.

Keywords: *Level of Education, Religiosity, Love of Money, Professional Ethics*

INTRODUCTION

The ethics of the accounting profession is a very important issue and has attracted attention from various aspects in both the academic and professional fields. Credibility and integrity are important in determining the ethics of the accounting profession. Issues regarding ethics in the business world and the profession after the scandals in large companies have made public confidence in the accounting profession decline (Normadewi & ARIFIN, 2012). Many frauds have occurred, both on a small and large scale so that they have become the public spotlight, one of which is in the case of the practice of manipulating financial statements often carried out by companies involving public accountants. There have been several incidents of violations of professional ethics, one of the biggest cases that occurred was the Enron Corp scandal in 2001.

This violation is one that has occurred in society which has caused significant losses, besides that trust in the profession of an accountant also makes the public view unfavorable. There is a crisis of confidence in the accounting profession, so it is necessary for ethics education to be given to students before they enter the world of work (Normadewi & ARIFIN, 2012).

In Indonesia, the list of KAP registered with the OJK from 2018 to 2024 totals 1,068. The number of active KAP is 927 and 141 are inactive. With a total of 141 inactive ones, including 8 KAPs that were sanctioned, one of which was KAP Satrio, Bing, Eny and Partners regarding administrative sanctions in the form of cancellation of registration to Public Accountants (AP) Marlina, Merliyana Syamsul and KAP Satrio, Bing, Eny, and Partners regarding the results of the examination of PT Sunprima Nusantara Pembiayaan or SNP Finance. As a result of OJK's examination, SNP Finance was indicated to have presented financial statements that were significantly inconsistent with its actual financial condition, causing losses to many parties.

The above cases have proven that in realizing a quality and professional KAP, it is determined by the performance of the auditors, because the increasingly widespread need for professional services of public accountants as parties who are considered independent, will require the public accounting profession to continue to improve its performance in order to produce reliable audit products for parties in need (Al Fikri, 2018). The number of scandals that have arisen is certainly influenced by the professional ethics of accountants. Cases of ethical violations should not occur if every accountant has the knowledge, understanding, and willingness to apply moral and ethical values adequately in carrying out his professional work (Pradanti & Prastiwi, 2014; Sapitri, 2023).

Apart from ethics, educational factors have a major influence on accountants' ethical behavior because higher accounting education not only teaches the transformation of knowledge, but also educates a person to have a complete *personality* as a human being (Al Fikri, 2018). This is in accordance with what is expressed by Fuad (2005) in (Juniawan et al., 2017), which states that education is a human activity and effort to improve his personality by fostering his personal potentials, namely thought, karsa, taste, creation and conscience.

Apart from education, the ethical behavior of the accounting profession is also influenced by internal individual factors such as spirituality or religiosity. Religion and ethics have a very close relationship. The procedures for behavior determined by religion are directly related to God's laws contained in the holy books of each religion (Jalees et al., 2024).

The last factor that can influence professional ethics is *Love of Money*. Attitudes towards money are learned through a socialization process that is established in childhood and maintained in adult life (Tang & Chen, 2008). Student interactions related to money can influence students when performing their actions. According to Tang & Chiu (2008) define *Love of Money* as a person's attitude toward money, their understanding of money, and their aspirations and desires for money.

This study wants to test the extent to which accounting students understand the professional ethics of an accountant because accounting students are prospective people who are likely to work in the accounting field. With this study, researchers want to know the level of education, religiosity, and individual *Love of Money of* an accounting student. The purpose of this study is to explore how values, beliefs, and desire for financial success affect the ethical judgment of accounting students.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Level of Education on Professional Ethics

High education is often associated with a good understanding of ethics. The level of education is a continuous stage of education, which is determined based on the level of development of students, the level of complexity of teaching materials and how to present teaching materials Iksan (2005) in (Wirawan et al., 2019). A person with a high level of education is expected to have better knowledge of the ethical standards of the accounting profession, such as integrity and objectivity. According to the *Theory of Planned Behavior,* attitudes towards behavior are influenced by the knowledge and understanding that individuals have. Higher education allows students to gain a deeper understanding of the ethics of the accounting profession, thus shaping their attitudes towards ethical behavior in their profession.

Students with a high level of education tend to make appropriate decisions based on ethical principles. In addition, education also helps students understand applicable social and professional norms, so they are more likely to follow ethical standards in the accounting profession. With a better understanding of the impact of their actions, education helps students feel more in control and also controlled when making ethical decisions and reduces the likelihood that they will violate the professional code of ethics.

H1: The level of education has a positive effect on the professional ethics of accountants.

Religiosity to Professional Ethics

Religion always encourages its people to behave well in accordance with the rules that have been set. Ethical behavior is shown when a person gets what is rightfully his, he only takes his own rights and does not take what is rightfully someone else. Accounting has ethical values that are regulated in the accountant's professional code of ethics and all eight codes of ethics are in line with religious values or in accordance with religious teachings. For example, related to professional responsibility, religion teaches everyone to ensure that they are responsible for what they do. Someone who is religious is expected to have high ethical behavior because the guidance for ethical behavior is in religious teachings. Within the TPB framework, perceived behavioral control can be influenced by individual religious beliefs. Thus, the higher a person's level of religiosity, the more likely they are to make ethical decisions.

Research Pemayun & Budiasih (2018) found that religiosity has a positive effect on students' ethical perceptions. Research Jaya & Sukirno (2020) states that religiosity has a positive effect on the ethical perceptions of accounting students. Research conducted by Duriez & Soenens, (2006) states that someone who has a high level of religiosity has a more ethical attitude in all aspects of life, which in turn makes them less willing to engage in unethical behavior. It can be concluded that religiosity has a positive impact on ethical behavior. The higher a person's level of religiosity, the higher his ethical behavior. This means that someone who has strong religious beliefs will tend to use the moral teachings embraced by their beliefs as guidelines or factors in decision making on ethical issues than those who have low religious beliefs.

H2: Religiosity has a positive effect on the professional ethics of accountants.

Love of Money on Professional Ethics

Love of Money is a person's love for money. Someone who has a high love for money will do everything possible to fulfill his needs even though it may not be in accordance with ethics or vice versa. This trait tends to cause a person to take actions that violate the code of ethics. Through *Theory of Planned Behavior*, it can be seen how attitudes towards money, the influence of their social environment, and the control they feel in facing ethical dilemmas that will affect their decisions in assessing ethical actions in the accounting profession.

Research *Yustisianingsih et al*. (2020) states that *Love of Money* has a negative effect on ethical perceptions. This is in line with research Tang & Chen (2008) which argues that ethics on money has a significant and direct impact on unethical behavior, if the level of *Love of Money* is high, there is a higher tendency to behave unethically. In other words, *Love of Money* will negatively affect ethical behavior. The higher a person's *Love of Money*, the lower his ethical behavior, because someone who has a high level of *Love of Money* tends to do various ways to achieve the desired goal by overriding the applicable code of ethics.

H3: *Love of Money* has a negative effect on Accountant professional ethics.

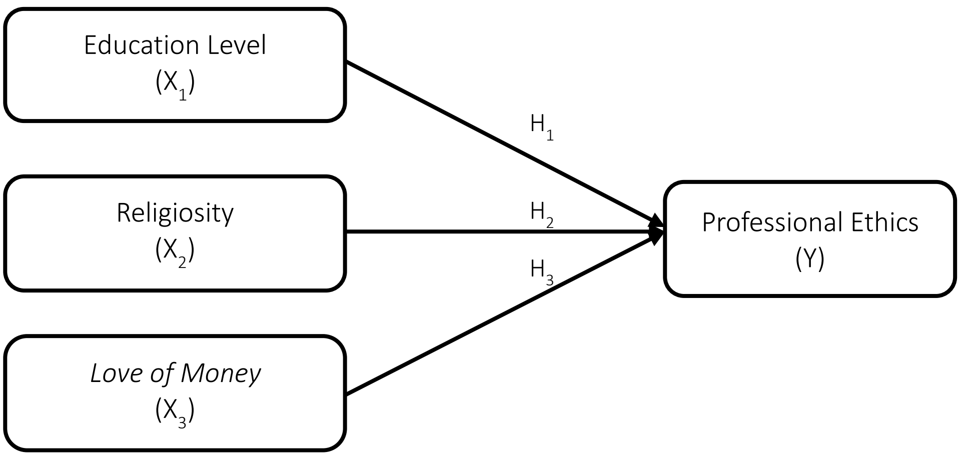

Figure 1. Research Model

RESEARCH METHODS

This research uses quantitative methods that aim to collect, manage, test, and analyze numerical data. The data collection technique in this study using a questionnaire with an applied Likert scale has a minimum score of 1 and a maximum of 5, because it is able to accommodate respondents' answers that are neutral or undecided. The population in this study were 7th semester Accounting students spread across Java with a total of 690 students. Determination of the number of samples used in this study using the Slovin formula, the minimum number of samples needed for this study was 100 people or respondents.

RESULTS AND DISCUSSION

Level of Education has a positive effect on Professional Ethics

The results of hypothesis testing show that the variable level of education has a positive effect on professional ethics. This is based on the *Theory of Planned Behavior* (TPB), where education not only improves attitudes towards professional ethics, but also plays a role in shaping intentions to behave ethically and strengthening *perceived behavioral* control in the face of obstacles regarding ethics in the profession.

Higher education helps accountants understand ethical concepts and principles of professionalism. A good education provides knowledge of ethical standards, codes of conduct, and guidelines for professional behavior. This enables accountants to identify and resolve ethical issues more effectively. In addition, education also develops analytical, critical, and communicative skills that are important in dealing with difficult ethical situations. Higher education increases awareness of the importance of ethics in the accounting profession. Accountants with higher education are more likely to comply with the code of ethics and professional standards, which is expected to reduce fraud and ethical violations. This research is in line with the results of research Juniawan et al., (2017) shows that the level of education has a positive and significant effect on the ethical behavior of auditors. If the level of education is higher, the auditor's ethical behavior will also be higher.

Religiosity has a positive effect on Professional Ethics

The results of hypothesis testing show that the religiosity variable has a positive effect on professional ethics. These results are in line with the *Theory of Planned Behavior,* which states that attitudes, subjective norms and perceived behavioral control can influence a person's intentions and behavior. In this case, religiosity strengthens positive attitudes towards ethical behavior,

The results of this study indicate that a person with a high level of religiosity tends to prefer ethical behavior in decision making. Religion provides clear moral guidelines and also teaches values such as honesty, responsibility, and justice. Students who consider religion an important part of themselves tend to be more sensitive to ethical violations that occur. This is because someone who has strong religious beliefs tends to use the moral teachings embraced by their beliefs as guidelines or factors in making ethical decisions. The higher a person's level of religiosity, the higher their ethical behavior.

This research is in line with research conducted by Muna (2021) which explains that accounting students have obedience and knowledge about religiosity and will carry out the commands and stay away from the prohibitions of Allah SWT. And also supported in research Wijayanti & Ihsan (2022)which states that religiosity has a positive effect on ethical perceptions.

Love of Money has a negative effect on Professional Ethics

The results of hypothesis testing show that the *Love of Money* variable has a negative effect on professional ethics. This finding is in line with the *Theory of Planned Behavior,* which reveals that attitudes and subjective norms affect one's actions. Someone who has a high *love of money* tends to have an attitude that prioritizes personal interests.

The results of this study are supported in research Khanifah et al., (2019) which states that love of money has a negative effect on ethical perceptions. The attitude of someone who has an excessive love of money attitude will tend to view money as a necessity and be ambitious to get it in various ways. The results of this study are supported by (Tang & Chen, 2008) who concluded that a person's love of money has a significant impact on professional ethics.

CONCLUSION

The level of education has a positive effect on professional ethics. The results of this study are in line with research conducted by Juniawan et al., (2017). Religiosity has a positive effect on Professional Ethics. The results of this study are in line with research conducted by Wijayanti & Ihsan (2022). Love of Money has a negative effect on professional ethics.

This study has several limitations that can affect the inaccuracies in the results of this study, such as: Limited sources of information and sources of previous research relevant to the title raised in this study, In this study only looks at the level of education, religiosity, and love of money on the ethics of the accounting profession, while there are still other variables that might affect a person's ethical perceptions.

Figures and Tables

Testing the significance of residual parameters (t test) is used to test the relationship of independent variables significantly on the dependent variable tested at a significance level of 0.05. If the probability value of t < 0.05 then Ha is accepted and H0 is rejected, while if the probability value of t > 0.05 then Ha is rejected and H0 is accepted.

Table 1. Partial Test Results (t Test)

Coefficients[3]						
Model		Unstandardized Coefficients		Standardized Coefficients		
1		B	Sttd. Error	Beta	T	Sig.
	(Constant)	3,426	2,977		4,359	0,000
	Education Level	0,762	0,079	0,229	2,412	0,018
	Religiosity	0,486	0,082	0,430	4,534	0,000
	Love of Money	-0,079	0,058	-0,074	-1,375	0,172
a. Dependent Variable: Professional Ethics						

The F test is used to test the feasibility of the model, whether the model used is significant. If the significance value is <0.05, it can be stated that the model used is significant. The following are the results of the F statistical test in this study as follows:

Table 2. F Test Results (F Test)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regresion	1751,195	3	583,732	91,595	0,000[b]
	Residual	611,805	96	6,373		
	Total	2363,000	99			

a. Dependent Variable: Professional Ethics
Predictors: (Constant), *Love of Money,* Religiosity, Education Level

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