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BOOK OF ABSTRACTS



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EFFECT OF THOUGHT ETHICAL, ETHICAL ORIENTATION,
LOCUS OF CONTROL FACTORS AND DEMOGRAPHICS ON
ETHICAL SENSITIVITY
(Empirical Study On Accounting Students)

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ABSTRACT

Model four components of Rest (1986) noted that to act morally, a person must do at least four basic psychological process that is ethical sensitivity, ethical reasoning, ethical motivation and ethical character. This study focuses on one component of the four model components of Rest. The purpose of this study is to empirically examine the influence of personal factors such as ethical thinking, ethical orientation, locus of control and demographic factors on ethical sensitivity. The population of this research is accounting student at the Department of Accounting University of Bengkulu 2005/2006 upward force that has taken the courses and auditing auditing one second. The sampling technique is a census. The sample used in this study 117 students. The analytical tool used in this study is multiple regression. The results showed that of the seven factors of personal (ethical thinking, idealism, relativism, locus of control, gender, age and GPA), which tested only three personal factors that show a significant influence on ethical sensitivity. These three factors are personal ethical thinking, idealism, and locus of control. Future studies are advised to try other variables that may affect the sensitivity of the ethical as ethical education, academic and environment.

Keywords: *ethical thinking, idealism, relativism, locus of control, demographic factors and ethical sensitivity.*

1. INTRODUCTION

Ethical behavior is an accountant or other professional in the field of accounting plays an important role in enhancing the credibility of the accounting profession. A practitioner in the field of accounting should be able to demonstrate professionalism including uphold ethical behavior in the work. This is especially important considering the accounting profession of public accountant is a profession that is based on the level of public trust. Many cases that occur in today's business world such as Enron, WorldCom, Tyco and others have involved the accounting profession. Highlights addressed to the accounting profession was due to several factors, including the accounting profession practices that violate the rules or accounting standards have been set. The case of Enron for example, this case has attracted much attention among business world as a case that violates the rules or accounting standards and violated the professional ethics of public accountants. Deviations made by accountants and various other professions in the field of accounting will not happen if every accountant has the knowledge, understanding, willingness to apply the moral values and ethics are adequate in the implementation of professional work (Ludigdo and Machfoedz, 1999). Therefore, the occurrence of various cases as mentioned above, should give more attention to ethical awareness to the work of professional accountants. Violations of ethics by the auditor also has been mostly done by students in the academic environment. Research conducted by The Center for Academic Integrity USA (Morris and Kilian, 2006) states that more than seventy-five percent of six hundred students surveyed in Weshington DC has been doing various forms of cheating. Forms of fraud committed is cheating on the exam as well as copy and paste job friend. Sudibyo (1995) stated that accounting education has a major influence on the ethical behavior of auditors. The phrase suggests that attitudes and moral behavior of auditors can be formed through a process of education that occurred in accounting education institutions. Students as input, a little more would have links with the accountants who produced as output. In fact, students who serve as the input also has done some violation of ethics. Accounting students should have the ability to look at ethical issues. Some experts in the field of psychology has developed a model in the presence of ethical issues. One is a model developed by Rest (1983) in Chan and Leung (2006). Rest (1983) has developed an extensive cognitive model of ethical decision making (four-component model). Four-component model is intended to examine the development of moral thought processes and behavior of individuals.

Rest (1983) in Chan and Leung (2006) position that to act morally, an individual at least do the four basic psychological process, namely: Sensitivity unethical (ethical sensitivity), ethical considerations (ethical judgments), ethical motivation (ethical motivation), ethical character (ethical character). (Rest, 1983 in Chan and Leung, 2006) reported that ethical sensitivity correlated only with moderate ethical thinking. Besides the four-component model of Rest, which is used to examine the development of ethical thought processes and behavior of individuals. Kohlberg's cognitive theory of moral development has also been widely accepted as a theory that is often used in ethical thinking (Lovell, 1997). Kohlberg has developed a theory about ethical thinking that

focuses on the cognitive processes used by individuals in leading them to decide right and wrong (Welton, et al 1994). Kohlberg's theory (1971) in Welton, et al (1994) which is the development of Dewey's theory, stating that personal value is obtained through a process of thought and opinion. An important event will help people to improve their morale and this is reflected in the experience of conflict in explaining their opinion when they interact with someone who has higher moral level.

2. LITERATURE REVIEW

2.1 Morals and Ethics

In many ways, the discussion of ethics can not be separated from the discussion of the moral. Suseno (1997) revealed that ethics is a philosophy or critical thinking and fundamental about the teachings and moral views. While the opinion of Karl Barth (1989) as quoted by Madjid (1992), reveals that ethics (ethos) is proportional to the moral (mos), where both are philosophical about the customs (sitten).

2.2 Four Component Model

Rest (1983), quoted by Chan and Leung (2006) has built a framework of four-component model to examine the development process of individual moral thinking and moral or ethical behavior of individuals in decision-making in which each component could lead to unethical behavior. Rest (1983) in Chan and Leung (2006) argues that to act ethically, a person must perform at least four basic psychological process, namely:

1. Ethical Sensitivity: interpretation or interpretations of the ethical problems that occur.
2. Ethical Considerations: Considerations or judgments where the action is right and which wrong actions.
3. Ethical Motivation: Prioritizing moral values relative to other values.
4. Ethical Character: Having the courage, still do, confusion or ego, and the practice of moral actions. According to (Rest, 1986 in Trevino, 1992) fourth component does not arise in a temporary order or temporary, further comprising a logical analysis of what was taken or made to behave morally.

2.3 The theory of Cognitive Moral Development

In the literature of psychology, cognitive moral development Kohlberg's theory is widely accepted as the most prominent theory of moral thought (Lovell, 1997). Kohlberg has developed a theory of moral thought that focus on cognitive processes used by individuals in leading them to decide right and wrong (Welton, et al 1994).

2.4 Ethical Sensitivity

Research in accounting has focused on the ability of the accountants in making ethical decisions and behave ethically. However, an important factor to assess an ethical or unethical behavior is the realization of each person that they are the determining moral

behavior. The ability to realize the values of ethics or morals in a decision is called the ethical sensitivity (Khomsyiah and Indriantoro, 1998).

2.5 Ethical Thought

Ethical thinking refers to the use of several reasons for assessing an activity as the activities are ethical or not. An ethical theory helps people to take moral decisions and provide justification for the decision (Bertens, 2000). Some ethical theories that underlie the thinking style that reflects the hierarchy of moral development, reminiscent of what is the purpose of moral development (Lutz, 1998).

2.6 Ethical Orientation

Ethical orientation is defined by Salim and Salim (1991) cited Mutmainah (2007) as the rationale for determining the attitude, direction and so accurately and correctly associated with ethical dilemmas. Forsyth (1980) cited by Comunale and Sexton (2006) suggested that orinetasi ethics (ethical values) is controlled by two characteristics, ie idealism and relativism. Idealism is an ethical orientation which refers to the extent to which a person believes that the consequences of actions taken to occur without violating moral values. Relativism is ethical orientation which refers to the rejection of the values (rules) that guide universal moral behavior, his opponent is the non-relativism. Reject relativism and the principle of universal moral rules and feel that moral action / morality depends on the individuals and situations involved (Forsyth, 2001). Both the concept of ethical orientation are according to Shaub, et al (1993) does not contradict one another, but represent two separate scales.

2.7 Locus of Control

Pratidiana (2008) defines locus of control as a person's tendency to control things that happen in his life, namely internal factor and external factor. Locus of control is closely connected with the working attitude and a person's self-image. Internal locus of control is intended with the view that good or bad events that occur due to the actions of a person, therefore, the occurrence of an event under the control of a person. While external locus of control is intended with the view that good or bad events that occur are not related to a person's behavior in certain situations, therefore called out of control person.

2.8 Demographics

2.8.1 Gender

Venezia (2008) states that the moral development of women and ways of thinking are fundamentally different from men. Influence of sex arises when the difference between men and women occurred in the process of making moral decisions.

From the above definition can be concluded that gender is a concept of analysis used to identify differences in men and women from the standpoint of non-biological, ie the social, cultural and psychological.

2.8.2 Age

In the Book of Criminal Law Act (Sugandhi, 1980) article 45 explains that the purpose has not grown for Indonesian people by LN No. 1931. 54 were those who are not yet 21 years old and unmarried children and adults are aged 21 years or married. Age someone suggested to give an impact on moral considerations. Individuals who are younger tend to be less focus on issues of ethics in individuals older.

2.8.3 Academic Achievement

According to Arifin (1990), achievement of the Dutch language, which means the results of operations. While Winkel (1987), argued that academic achievement is the result of which can be given by the student, further explained that the assessment or evaluation conducted through a review of the results obtained by students after attending a teaching-learning process, in addition to a review of the components that make up the process teaching and learning. While the definition of index point average (GPA) is the average of the performance index obtained in each semester.

2.9 Hypothesis Development

Several hypotheses have been established in this research.

- H1: Ethical Thinking positive effect on ethical sensitivity.
- H2: The level of idealism positive effect on ethical sensitivity
- H3: The negative influence of relativism on ethical sensitivity
- H4: Locus of control (internal vs. external) effect on ethical sensitivity
- H5: The gender effect on sensitivity
- H6: Age positive effect on ethical sensitivity
- H7: Performance Index Cumulative positive effect on ethical sensitivity

3. RESEARCH METHOD

3.1 Population, Sample and Sampling Technique

The population in this study were students of accounting at the University of Bengkulu 2005/2006 upward force. The sample in this study is the generation of accounting students 2005/2006 and above that already took a course Auditing Auditing I and II. The sampling technique carried out the census. The number of samples in this study 120 students.

3.2 Research Variables and Operational Definition of Variables

3.2.1 Dependent Variables

The dependent variable used is the ethical sensitivity. Ethical sensitivity is meant in this study is the ability of students to know and realize the existence of ethical values in the scenario in the questionnaire. Ethical sensitivity is measured with the ethical sensitivity scenarios have been developed by Shaub (1989). There are 6 item questions used a scale of 1 to 7 liqueur. Likert Scale 1 stated rate of interest with criteria 1 = very unimportant (STP) which is less sensitive and 7 = extremely important (SP), which means very sensitive.

3.2.2 Independent Variables

Ethical Thought. Ethical thinking in this study regarding the use of several reasons by students in evaluating an existing business activities in scenario in the questionnaire as an ethical act or not. Ethical thinking is measured by using a scenario that has been developed by Welton, et al (1994). The scenario was followed by 12 items of questions with Likert scale of 1 to 5. Scale level of interest expressed by criteria 1 = Not Important (TP) which means lack of moral thinking and 5 = Significant (P), which means having the moral thinking in moral behavior. **Idealism.** Idealism in this study refers to something that students believed that the consequences of actions taken to occur without violating moral values. In other words, idealism is a characteristic of ethical orientation refers to one's concern for the welfare of others and try not to harm others. Idealism is measured using 10 items developed by Forsyth (1980) cited by Comunale and Sexton, (2006). Each item question is the attitude of one's idealism against moral values. Likert scale of 1 to 5 is used to indicate the response of the criteria properties idealism (1 - strongly disagree to 5 - strongly agree). The higher the value the higher the scale indicates a person's idealism and the more sensitive.

Relativism. Relativism in this study refers to the rejection of the values (rules) that direct universal moral behavior. Relativism is also measured using 10 items developed by Forsyth (1980) cited by Comunale and Sexton, (2006). Each item is a question of relativism student attitudes towards moral values. Scale of 1 to 5 is used to indicate the response of the criteria properties relativism (1 - strongly disagree to 5 - strongly agree). The higher the value the higher the scale indicates a person relativism and increasingly sensitive. **Locus of control.** Locus of control here is one of the individual factors that influence students' perspectives on an event that proxies in a statement contained in the questionnaire. Instruments locus of control developed by Rotter (1966). The instrument consists of 13 pairs of questions. Each set of questions consisted of statements (a) internal and (b) external. Respondents were asked to select one of the statements (a) or (b). Locus of control in this study expressed as a dummy variable with a given code of 0 (zero) or 1 (one). code 0 (zero) to an external locus of control and the 1 (one) to locus of control internally. **Demographic factors.** Demographic factors in this study consisted of:

1. Gender, the respondents in this study consisted of men and women. Sexes in this study expressed as a dummy variable with a given code of 0 (zero) or 1 (one). Respondents-sex men are given numbers 0 (zero) and for respondents who were female sex number 1 (one).
2. Age, in this study expressed as a dummy variable with a given code of 0 (zero) or 1 (one). Code 0 (zero) for respondents who were 21 years 0 months down (<21 yr, 0 mo)

and code 1 (one) for the respondents of the same age with 21 years 0 months and older (\geq 21 years, 0 months).

3. Cumulative Performance Index, an index value of the average achievement of students from one semester to semester six. GPA was measured with a 5 categories namely the numbers 1 to GPA <1.00 ; figure 2 for ≥ 1.00 GPA <2.00 ; figure 3 for GPA ≥ 2.00 <3.00 ; figure 4 for ≥ 3.00 GPA <4.00 and the last number 5 for GPA = 4.00

3.3 Analysis Techniques

The statistical methods used to test the hypothesis is multiple regression (multiple regression). This analysis tool is used because in accordance with the formulation of the problem, research objectives are to examine the influence of several independent variables on the dependent variable. Testing this hypothesis in lakukukan using SPSS Ver.15. = 5%). α The hypothesis was tested at a significance level (Criteria for acceptance or rejection of the hypothesis is based on the value p-value. If p-value > 0.05 , then the hypothesis (H_a) is rejected or accepted H_o reverse if the p-value <0.05 , then the hypothesis (H_a) is accepted or rejected H_o .

4. RESULTS AND DISCUSSION

Tabel 1
Signifikansi Simultan Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2879.931	7	411.419	98.395	.000(a)
Residual	455.761	109	4.181		
Total	3335.692	116			

Simultaneously (F test) regression test results in this study showed the influence of ethical thinking, idealism, relativism, locus of control, gender, age and GPA of ethical sensitivity. In table 1, calculated F value obtained at 98.395 with a probability level of significance is much smaller than the 0050 that is equal to 0.000.

Tabel 2
Koefisien Determinasi Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929(a)	.863	.855	2.045

a Predictors: (Constant), IPK, Idealisme, DAge, Relativisme, DLoc, Reseoning, DJk

The coefficient of determination (Adjusted R²) are shown in table 2 indicates the ability of multiple regression equations to show the level of explanation models to the dependent variable. The size of the coefficient of determination (Adjusted R²) is ~ 0.855 or 85.50%,

this means that the ability of explanatory variables in this case is variable ethical thinking, idealism, relativism, locus of control, gender, age and GPA simultaneously have an influence on the variable sensitivity ethical by 85.50%. While the rest that is equal to 14.50% (100% -85.50%) explained by other variables besides the explanatory variables or independent variables above.

Tabel 3
Signifikansi Parameter Individual Test
Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	11.406	3.005		3.795	.000
	Pemikiran	.499	.020	.901	24.932	.000
	Idealisme	-.103	.039	-.095	-2.646	.009
	Relativisme	-.017	.044	-.014	-.393	.695
	DLoc	1.106	.394	.102	2.806	.006
	DJk	.549	.458	.050	1.200	.233
	DUmur	.744	.395	.068	1.886	.062
	IPK	.060	.464	.005	.129	.897

a Dependent Variable: Sensitivitas

4.1 Testing Effect of Sensitivity Ethical Ethical Thought

Testing the influence of ethical thinking on ethical sensitivity by using multiple regression showed a significant effect on ethical sensitivity. It can be seen on the significance value of 0.000 which is smaller than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that the hypothesis H1 which states that ethical thinking affect ethical sensitivity in receiving. The results of this study are consistent with the results of research Marwanto (2007) and Peterson (2001). But the results of this study do not support the results of the study Chan and Leung (2006). Theoretically, the results of this study is consistent with Kohlberg's cognitive theory of moral development. Kohlberg has developed a theory of moral thought that focus on cognitive processes used by individuals in leading them to decide right and wrong (Welton, et al 1994). Kohlberg's theory (1971) in Welton, et al (1994) states that personal value is obtained through a process of thought and opinion. This finding is in accordance with the invention Arnold and Ponemon (1991) who investigate the relationship between perceptions of ethical thinking with whistle-blowing. They reported that an internal auditor with the level of the relatively high ethical thinking more able to identify and study the behavior inappropriate. The higher level of ethical thinking someone more able to identify and study the behavior inappropriate.

4.2 Testing Effect of Sensitivity Ethical Idealism

Testing the influence of idealism on ethical sensitivity by using multiple regression showed a significant result but there is a negative effect on ethical sensitivity. It can be seen on the significance value of 0.009 which is smaller than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that the hypothesis H2 which states that the level of idealism influence on ethical sensitivity in decline. The results of this study are consistent with the results of the study Chan and Leung (2006). But is not consistent with research conducted by Falah (2006) and Marwanto (2007). The study found a significant negative relationship idealism ethical sensitivity. This means that the higher the ideals, the more insensitive to ethical issues. The findings of this study do not support the existing theory. The theory states that the more a person has high ideals, it will be increasingly sensitive to issues involving ethical behavior or not.

4.3 Testing Effect of Sensitivity Ethical Relativism

Testing the influence of relativism on ethical sensitivity by using multiple regression showed that no significant effect on ethical sensitivity. It can be seen on the significance value of 0.695 is greater than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can conclude that hypothesis H3 which states that affect the sensitivity level of ethical relativism in decline. The results of this study are consistent with the results of the study Chan and Leung (2006). But is not consistent with research conducted by Falah (2006) and Marwanto (2007).

Theoretically the research results are inconsistent with the theory. The theory states that a person who has a high relativism will be more tolerate of finding a moral issue and in implementing the values (rules) in force or universal morality that guide their behavior. So there is a significant negative influence of relativism with ethical sensitivity.

4.4 Testing Effect of Locus of Control on Ethical Sensitivity

Testing the influence of locus of control on ethical sensitivity by using multiple regression showed a significant effect on ethical sensitivity. It can be seen on the significance value of 0.006 which is smaller than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that hypothesis H4 which states that the locus of control (internal vs. external) effect on ethical sensitivity in receiving. The results of this study are consistent with the results of the study Chan and Leung (2006) and Peterson's study (2001). However, this study is not consistent with research conducted by Marwanto (2007). Theoretically, the results of this study is consistent with the theory that locus of control is one of the individual factors that influence one's perspective to an event, whether or not he can control the event. It is expected that someone who is "internal" which receives an event depends on a person's behavior is more widely aware of the ethical problems on someone who is "external" that receives an event as a result of the force from the outside or the behavior of others.

Further research is also in accordance with the statement of Chiu (2003) which states that the locus of control as a personality character traits influence the ethical decision-making and directing behavior.

4.5 Effect of Gender Testing Ethical Sensitivity

Testing the influence of gender on ethical sensitivity by using multiple regression showed no significant results on ethical sensitivity. It can be seen on the significance value of 0.233 is greater than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that the H5 hypothesis which states that the gender effect on sensitivity in decline. The results of this study are consistent with the results of the study Chan and Leung (2006) and Marwanto (2007).

Theoretically the research results are inconsistent with a statement from Lawrence and Shaub (1997) which states that there is a strong and consistent relationship between gender and moral development, with women being at the level of moral development that are higher than in males. Further research is also not consistent with the Cohen, et al (1998) showed that women are more ethical sensitivity than males in a dilemma situation.

4.6 Effect of Age of Sensitivity Testing Ethical

Testing the effect of age on ethical sensitivity by using multiple regression showed that no significant effect on ethical sensitivity. It can be seen on the significance value of 0.062 is greater than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that hypothesis H6 which states that the age effect on ethical sensitivity in decline. The results of this study are consistent with the results of the study Chan and Leung (2006). However, research conducted by Marwanto (2007) concerning the effect of age on ethical sensitivity showed significant results. Theoretically the research results are inconsistent with the theory that the age a person suggested giving an impact on moral considerations. Individuals who are younger tend to be less focus on issues of ethics in individuals older. Selanjutnya results of this study was also not in accordance with the statement Sankaran and Bui (2003) which states that as a person ages, they become more moralistic.

4.7 Testing Performance Index Cumulative Effect of Ethical Sensitivity

Last test the influence of cumulative performance index of ethical sensitivity by using multiple regression showed no significant results on ethical sensitivity. It can be seen on the significance value of 0.897 is greater than $\alpha = 0.05$. Based on the results of multiple regression tests run private individual can be concluded that the hypothesis H7 which states that the index point average (GPA) effect on ethical sensitivity in decline. The results of this study are consistent with the results of the study Chan and Leung (2006), and Marwanto (2007). Theoretically the research results are inconsistent with the opinion of Boomer, et al (1987) which states that the attribute personal factors are often addressed by theorists of ethics as a variable-varabel that affect ethical decision-making process. Variable-varabel demographic that shows a relationship with the level of ethical

reasoning and ethical sensitivity consist of: index of academic achievement / GPA, gender or gender and others.

5. CLOSING

5.1 Conclusion

1. Ethical thinking showed a significant influence on ethical sensitivity.
2. Idealism showed a significant negative effect on ethical sensitivity.
3. Relativism showed no significant effect on ethical sensitivity.
4. Locus of control showed significant effect on ethical sensitivity.
5. Sexes showed no significant effect on ethical sensitivity.
6. Age showed no significant effect on ethical sensitivity.
7. Index point average (GPA) showed no significant effect on ethical sensitivity.

Simultaneously, the test results independent variable to dependent variable in this study has supported the Rest theory which states that to act morally, a person with personal values they have had to do four basic psychological processes, one of which is ethical sensitivity.

5.2 Limitations

Limitations of this study is only analyzing the relationship of personal factors that are internal that is within every individual, without considering eksteren factors that may affect one's ethical sensitivity. Research Gielen (1991) in Harsanti (2002) states that in addition to internal factors, ethical sensitivity is also influenced by external factors.

5.3 Implications

The result is expected to be entered for educators, especially educators prospective accountant or the managers of universities to be able to design the curriculum in such a way so as to instill ethical values or moral for future accountants. For the owners of the Public Accounting Firm (KAP), the results of this study can also be entered in fostering the accountants who worked at his firm.

5.4 Suggestions

With the limitations in this study, further research can be expected to examine the personal factors that are eksteren that may affect the sensitivity of the ethical as ethical education, academic environment, culture and organizational and professional aspects.

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