

**THE INFLUENCE OF ACCOUNTING STUDENT MORAL  
REASONING AND ETHICAL SENSITIVITY TOWARD  
UNETHICAL ACADEMIC BEHAVIOUR**



**THESIS**

Submitted as one of the requirements  
to complete the Undergraduate Program (S1)  
of the Faculty of Economics and Business  
Diponegoro University

By:

**RISTYA ANNISYA AZ-ZAHRA**  
**NIM: 12030110141209**

**FACULTY OF ECONOMICS AND BUSINESS**  
**DIPONEGORO UNIVERSITY**  
**2017**

## **PERSETUJUAN SKRIPSI**

Nama Penyusun : Ristya Annisya Az-Zahra  
Nomor Induk Mahasiswa : 12030110141209  
Fakultas / Jurusan : Ekonomi dan Bisnis / Akuntansi  
Judul Usulan Penelitian : THE INFLUENCE OF  
ACCOUNTING STUDENT MORAL  
REASONING AND ETHICAL  
SENSITIVITY TOWARD  
UNETHICAL ACADEMIC  
BEHAVIOUR  
Dosen Pembimbing : Puji Harto, S.E., M.Si., Akt., Ph.D

Semarang, 7 Juni 2017

Dosen Pembimbing

(Puji Harto, S.E., M.Si., Akt., Ph.D.)

NIP. 132283129

## **PENGESAHAN KELULUSAN UJIAN**

Nama Penyusun : Ristya Annisya Az-Zahra  
Nomor Induk Mahasiswa : 12030110141209  
Fakultas / Jurusan : Ekonomi dan Bisnis / Akuntansi  
Judul Skripsi : THE INFLUENCE OF ACCOUNTING  
STUDENT MORAL REASONING AND  
ETHICAL SENSITIVITY TOWARD  
UNETHICAL ACADEMIC BEHAVIOUR

**Telah dinyatakan lulus ujian pada tanggal 19 Juni 2017**

Tim Penguji:

1. Puji Harto, S.E., M.Si., Akt., Ph.D (.....)
2. Agung Juliarto, SE., Msi., Akt, Ph.D (.....)
3. Moh Didik Ardiyanto, S.E., M.Si., Akt (.....)

## **THESIS ORIGINALITY DECLARATION**

I, the undersigned, Ristya Annisya Az-Zahra, declare that the title: The Influence of Accounting Student Moral Reasoning and Ethical Sensitivity Toward Unethical Academic Behaviour; is my own writing. I hereby declare in all conscience that in this thesis there are no parts that were written by others nor did I try to copy or imitate in the form of words or symbols that shows the ideas or opinions of other researchers and consider them as my own writing, and nor did I took writings from others without referencing the original writer.

If I commit an act contrary to the above statement either intentionally or unintentionally, I hereby declare that I will withdraw the thesis that I have proposed. If it's later proven that I plagiarized the writings of others and made the idea as if they are my own, then the diploma which has been awarded by the university is null and void.

Semarang, 9 Juni 2017

Signed by

(Ristya Annisya Az-Zahra)

NIM: 12030110141209

## ABSTRAK

Dalam konteks pendidikan di Indonesia, fenomena tentang kemerosotan nilai-nilai moral telah menjadi semacam lampu merah yang mendesak semua pihak, untuk segera memandang penting sebuah sinergi bagi pengembangan pendidikan karakter. Terukur dan berkualitasnya suatu penilaian profesional tak lepas dari nilai dasar kejujuran. Penelitian ini bertujuan untuk mengetahui pengaruh penalaran moral mahasiswa akuntansi dan sensitivitas etika terhadap perilaku akademik yang tidak etis.

Sampel dalam penelitian ini berjumlah 200 responden dan kuesioner disebarkan kepada mahasiswa jurusan akuntansi di fakultas ekonomika dan bisnis Universitas Diponegoro, Semarang. Semua pertanyaan diukur dengan skala Likert dengan 5 peringkat jawaban dari tidak sampai selalu. Data diolah dengan menggunakan SPSS 23. Metode analisis data yang digunakan adalah analisis kuantitatif dengan uji validitas, uji reliabilitas, uji normalitas, uji asumsi klasik, uji regresi linier berganda, uji t dan uji f.

Hasil penelitian ini menunjukkan bahwa variabel penalaran moral dan sensitivitas etika berpengaruh signifikan terhadap perilaku akademik yang tidak etis pada mahasiswa jurusan akuntansi di Universitas Diponegoro, Semarang.

**Kata kunci: Penalaran Moral, Sensitivitas Etis, Perilaku Tidak Etis, Etika, Perilaku Tidak Etis Siswa.**

## ABSTRACT

In the context of education in Indonesia, the phenomenon about the deterioration of moral values has become a kind of red light urging all parties, to immediately see an important synergy for the development of character education. Professional assessment cannot be separated from the basic value of honesty. This study aims to determine the influence of accounting student moral reasoning and ethical sensitivity toward unethical academic behaviour.

The samples in this study are 200 respondents and the questionnaires were distributed to the accounting major student of economic and business faculty in Diponegoro University, Semarang. All questions were measured using a Likert scale with 5 rank answers from never to always. The data were processed using SPSS 23. Data analysis method used is quantitative analysis using validity test, reliability test, normality test, classic assumption test, multiple linear regression analysis tests, t-test, and f-test.

The result of this study showed that the moral reasoning and ethical sensitivity variables have a significant influence on unethical academic behaviour on an accounting student who is studying accounting major in Diponegoro University, Semarang.

**Keywords: Moral Reasoning, Ethical Sensitivity, Unethical Behaviour, Ethics, Unethical Student Behaviour.**

## FOREWORD

Praise be to Allah SWT, who has bestowed His grace and guidance so that I can finish this thesis entitled “**The Influence of Accounting Student Moral Reasoning and Ethical Sensitivity Toward Unethical Academic Behaviour.**”

This thesis is written in order to complete the requirements of completing Bachelor of Accounting studies, Faculty of Economics and Business, Diponegoro University, Semarang. In writing this thesis I have received much assistance in the form of guidance, information, and encouragement until this thesis is eventually completed.

Therefore, I would like to take this opportunity to express my gratitude to:

1. The Most Knowing, Allah SWT, through his grace this thesis can be completed.
2. Dr. Suharnomo, M.Si as Dean of the Faculty of Economics and Business, Diponegoro University, Semarang.
3. My supervisor. Puji Harto, S.E., M.Si., Akt., Ph.D, who gave his time and attention by guiding and giving directions during the process of writing this thesis.
4. My guardian lecturer, Dul Muid, S.E., M.Si., Akt, for giving advice and guidance during my Bachelor study here at the Department of Accounting, Faculty of Economics and Business, Diponegoro University, Semarang.
5. All the lecturers at the Faculty of Economics and Business, Diponegoro University, for the education I have received.
6. Both of my parents (Babeh H. Hamdan Busyairi S.E., Akt and Hj. Sri Hematin) and the only grandmother (Hj Sunaryah Roesdiyaton), for all the support and advices that you have given me, and of course the nonstop prayers that had helped me through the days and nights. I cannot thank you enough and I may not be able to return them all, but I hope this little work of mine will at least make you proud.

7. Both of my parents (Babeh H. Hamdan Busyairi S.E., Akt and Hj. Sri Hematin) and the only grandmother (Hj Sunaryah Roesdiyaton), for all the support and advices that you have given me, and of course the nonstop prayers that had helped me through the days and nights. I cannot thank you enough and I may not be able to return them all, but I hope this little work of mine will at least make you proud.
8. My teacher, Herry Laksito, S.E., M.Adv.Acc., Akt, for all the guidance from the beginning, an advice, support and through the hearing for all my difficulties of the lesson. I couldn't thankful enough for every single lesson u gave me.
9. My elder brother (M Asril Fauzi), we don't spent enough time together but I know u always got my back no matter what, thank you. I would not be able to keep on fighting without you.
10. My beloved mates Dwi Melissa Putri and Ratna Siti Nuraisya it's been miracle since I found u both in class, I wouldn't be able to accomplish my study without your support and encouragement to do my best. The one who patiently listening to my long complicated topic conversation all day and the one who light up my darkness. U both are amazing girls I have.
11. My lovely brothers and sisters (Nuy Kusumaningrum, Ananda Fadma Bunga, Zefanya Putri, Aditya Nugroho, Afifah Rahmawati, Selma Habibie, Ronald Leo Ohoitmur, Arif Alin Saputra, Sekar M.P, Dwi Kurniawan, Fefi Triyanti, Saquila Bahar, Charmelita, Paulo Siregar, Setiawan Guntarto, Niken Alyani, Rio Bondan Tissani, Steven Lucchesi, Kevin Zravevski, and Ana Nur Layla) whom I have share my most hard time with, people who borrow me a shoulder to lean on and trusting me over and over again. Never left me behind. The people, who know how to make me smile, laugh and 'have fun'. You all boosting me up, kill the zombie spider for me, you all family and the best friends I couldn't thankful enough for. Thanks for always be by my side, all of this time.

12. Everyone in the Accounting Class of 2010, for the togetherness during my studies here.
13. All the respondents who have helped and taken the time to fill in the questionnaires of this research.
14. Those whom I cannot mention one by one and had sincerely gave me support in the process of completing this thesis.

From my humble self, I would like to apologize for all the mistakes and flaws in writing this thesis. I have realized that this thesis is far from perfect, but I hope that this research can be useful to other writers, students, and readers throughout the future.

Semarang, 9 Juni 2017

(Ristya Annisya Az-Zahra)

NIM. 12030110141209

## TABLE OF CONTENTS

	<b>PAGE</b>
TITLE PAGE.....	10
PERSETUJUAN SKRIPSI.....	ii
PENGESAHAN KELULUSAN UJIAN.....	iii
THESIS ORIGINALITY DECLARATION.....	iv
ABSTRAK.....	v
ABSTRACT.....	vi
FOREWORD.....	vii
TABLE OF CONTENTS.....	x
LIST OF TABLES.....	xv
LIST OF IMAGES.....	xvi
LIST OF APPENDIX.....	xvii
CHAPTER I INTRODUCTION.....	1
1.1    BACKGROUND OF THE STUDY.....	1
1.2    PROBLEM IDENTIFICATION.....	20
1.3    STUDY STATEMENT.....	21
1.4    STUDY OBJECTIVE.....	22
1.5    CONTRIBUTION STUDY.....	22
1.6    THESIS OUTLINE.....	24
CHAPTER II LITERATUR REVIEW.....	26
2.1    THEORY OF BEHAVIOUR.....	26
2.2    ATTRIBUTION THEORY.....	28
2.3    THEORY OF MORAL DEVELOPMENT.....	29
2.4    ETHICAL THEORY.....	32
2.5    ACCOUNTANTS PROFESSIONAL ETHICS.....	20
2.6    HYPOTHESIS DEVELOPMENT.....	46
2.6.1    Ethical Conduct Toward Accounting Student.....	46
2.6.1.1    Measuring Unethical Behaviour of Accounting Student.....	49
2.6.2    Definition of Moral Reasoning.....	50
2.6.2.1    Factors Affect Moral Reasoning....	56
2.6.2.2    Measurement of Moral Reasoning..	57
2.6.3    Ethical Sensitivity.....	58
2.6.3.1    Understanding of Ethical Sensitivity.....	58
2.6.3.2    Factors influencing Ethical Sensitivity.....	59
2.3    THEORY OF MORAL DEVELOPMENT.....	29
2.4    ETHICAL THEORY.....	32
2.5    ACCOUNTANTS PROFESSIONAL ETHICS.....	20
2.6    HYPOTHESIS DEVELOPMENT.....	46

2.6.1	Ethical Conduct Toward Accounting Student...	46
2.6.1.1	Measuring Unethical Behaviour of Accounting Student.....	49
2.6.2	Definition of Moral Reasoning.....	50
2.6.2.1	Factors Affect Moral Reasoning....	56
2.6.2.2	Measurement of Moral Reasoning..	57
2.6.3	Ethical Sensitivity.....	58
2.6.3.1	Understanding of Ethical Sensitivity.....	58
2.6.3.2	Factors influencing Ethical Sensitivity.....	59
2.6.3.3	Measurement of ethical Sensitivity.....	60
2.7	Prior Research.....	61
2.8	HYPOTHESIS DEVELOPMENT.....	69

2.8.1	Effect of Moral Reasoning Toward Unethical Accounting Student Behaviour.....	69
2.11	FRAMEWORK.....	72
CHAPTER III RESEARCH METHOD.....		73
3.1	RESEARCH VARIABLES AND OPERATIONAL DEFINITIONS OF VARIABLES.....	73
3.2	TYPE OF REASEACH.....	74
3.2.1	Dependent Variables.....	75
3.2.2	Independent Variables.....	77
3.2.2.1	Moral Reasoning (X1).....	78
3.2.2.2	Ethical Sensitivity (X2).....	80
3.3	POPULATION, SAMPLE AND SAMPLING TECHNIQ..	81
3.4	TYPES AND SOURCES OF DATA.....	83
3.5	METHODS OF DATA COLLECTION.....	84
3.6	METHODS OF ANALYSIS .....	85
3.6.1	Validity Test and Reliability Test.....	86
3.6.2	Normality Test.....	87
3.6.3	Classic Assumption Test.....	88
3.6.4	Multi Linear Regression.....	89
3.6.5	Hypothesis Test.....	
3.6.5.1	t Value Test (t-test).....	90
3.6.5.2	The Coefficient of Determination (R <sup>2</sup> ).....	91

3.6.5.4	Statistical f test.....	74
3.8	PHASES OF RESEARCH IMPLEMENTATION.....	75
CHAPTER IV DATA ANALYSIS AND DISCUSSION.....		76
4.1	DESCRIPTION OF RESPONDANTS.....	76
4.2	DATA ANALYSIS.....	77
4.2.1	Data Quality Test.....	77
4.2.1.1	Validity Test.....	77
4.2.1.2	Reliability Test.....	79
4.2.2	Variable Description.....	80
4.2.2.1	Unethical Behaviour (Y).....	81
4.2.2.2	Moral Reasoning (X1).....	81
4.2.2.3	Moral Sensitivity (X2).....	81
4.2.3	Hypothesis Testing.....	81
4.2.4	Classic Assumption Test.....	82
4.2.4.1	Normality Test.....	82
4.2.4.2	Multicollinearity Test.....	84
4.2.4.3	Heteroscedasticity Test.....	85
4.2.4.4	Regression Model.....	86
4.2.4.5	t Value Test (t-test).....	88
4.2.4.6	F Value Test (F-Test).....	89
4.2.4.7	Coefficient of Determination Test (R <sup>2</sup> ).....	89

4.3	DISCUSSION OF RESULT ANALYSIS.....	114
4.3.1	The Effect of Moral Reasoning toward the Unethical Behaviour of Accounting Students.....	114
4.3.2	The Influence of Ethical Sensitivity Toward Unethical Behaviour of Accounting Students.....	115
4.3.3	The Influence of Moral Reasoning and Ethical Sensitivity toward the Unethical Behaviour of Accounting Students .....	117
	CHAPTER V CONCLUSION.....	119
5.1	CONCLUSION.....	119
5.2	RESEARCH LIMITATION.....	120
5.3	IMPLICATION.....	121
	REFERENCES.....	122

## LIST OF TABLES

	<b>PAGE</b>
TABLE 2.1 ACCOUNTING PROFESSON ETHICS AND CLASSIFICATION.....	54
TABLE 2.2 SUMMARY OF PRIOR RESEARCH.....	66
TABLE 3.1 LIKERT SCALE.....	83
TABLE 4.1 RETURN RATES OF QUESTIONNAIRES AND GENERAL OVERVIEW OF THE RESPONDENTS.....	95
TABLE 4.2 VALIDITY TEST.....	97
TABLE 4.3 REABILITY TEST.....	98
TABLE 4.4 DESCRIPTIVE STATISTIC.....	100
TABLE 4.5 KOLMOGOROV-SMIRNOV.....	104
TABLE 4.6 MULTICOLLINEARITY TEST.....	105
TABLE 4.7 HETEROSCEDASTICITY TEST.....	108
TABLE 4.8 MULTIPLE REGRESSION TEST.....	109

## LIST OF FIGURES

	<b>PAGE</b>
FIGURE 2.1 ACCOUNTING PROFESSION ETHICS AND CLASSIFICATION.....	
FIGURE 2.2 FRAMEWORK.....	72
FIGURE 4.1 NORMALITY TEST.....	103
FIGURE 4.2 HETEROSCEDASTICITY TEST.....	122

## LIST OF APPENDIX

	<b>PAGE</b>
APPENDIX A QUESTIONNAIRE FOR THE RESPONDENTS.....	38
APPENDIX B STATISTIC TEST RESULT.....	72
APPENDIX C STATISTIC TEST RESULT.....	103

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

In the professional work environment, a person or workers in various professions should be able to come forward with their ethical attitude in carrying out the duties and obligations in the workplace. As same as accounting profession, they are expected to behave ethically because the profession is always being under the sharp spotlight of the community. Public Scepticism for accounting profession is well-grounded. This came along with a series of ethical violations committed by accountants, both public accountants, internal accountants company, or government accountants. For example, an infringement committed by accountants on a financial statement of a company who has an unqualified judgment, suffering a setback after the opinion was issued. This happens because the accountant does not provide an actual opinion based on what is happening in the company. In other words, accountants did manipulate the data so that the data can be presented qualified (Al-Fithrie, 2015).

In the current era of globalization, the competition will be sharper, and only those who are ready, have a professional attitude with the provision of adequate are able to survive in the future. Therefore, it is very important to increase public awareness to deal with it. There are two of the most basic strength in an objective force, capital and labor. Strong capital and professionals itself are not enough to determine the strength and professionalism of a management

company in its success. Professionals are not only based on the expertise and skills, but what makes it more important is the moral commitment, such as discipline, loyalty, teamwork, personal integrity, responsibility, honesty, humane treatment, and etc. One other thing that is very important in sort of intense competition is the relation (network). Relationships may only be run and maintained on a basis of trust. Confidence can only be held if it is proven and supported by the real moral values, such as honesty, quality, and so on. Professional ethics play an important role in shaping the professional personnel to maintain a code of ethics. Characters show professionalism embodied in the attitude of the profession and its ethical actions.

Various cases of ethics violations would not occur if each accountant has the knowledge, understanding, and responsibility to apply moral values and ethics adequately in its role as a professional accountant. Therefore, an accountant should be aware and more concerned about ethics when carrying out their profession, neither be public sector accountants, management accountants, or as well as a public accountant (auditor). With the cases of ethics violations that occurred during this time, it is necessary to restore public confidence in the accounting profession. This matter of problem couldn't be separated from the world of education where the accountant learns and understand the science of accounting. The process to a student is very influential. Because it was a great time to establish their character and personality to face the world of work, and be ready to take any decision (Al-Fithrie, 2015).

Education on ethics should be delivered correctly to accounting students before they enter the workforce. One of the objectives of accounting education is to introduce students the values and standards of ethics in the accounting profession. The importance of ethics in a profession is it should be able to push the accounting profession to focus on the ethical perception of accounting students as a starting point to improve perceptions of the accounting profession. Therefore, the accountant should behave according to professional ethics in order to get a good perception of the students. Professional accountants who usually have the expertise (skills), knowledge and character show their personality as a Professional, embodied by ethical attitudes and actions. The professionals in carrying out their profession should be adhering to the professional values (Al-Fithrie, 2015).

These accounting professional ethics education apply that as an individual, we must have a sense of responsibility towards work. Behind all of these present developments, there is one side that has always been a trade-off of everything, which is social life of the surrounding community. Social life or more commonly known as Corporate Social Responsibility (CSR) is an issue that raged discussed and is an obligation for every company. Corporate social responsibility is not only the responsibility of owners of capital or shareholder but also its own by creditors, employees, consumers, social group, which support the company operation and makes a positive impact on the company's social responsibility.

Related to ethics in the world of the accounting profession, public accountant required to have a responsibility of giving a fair opinion on the financial statements accordance with General Acceptance Accounting Principles

(GAAP) and guided by Prinsip Akuntansi Berterima Umum (PABU). Furthermore, in making financial reports, a certified public accountant should have independence and integrity as an accounting professional, so that the results of the financial statements could not be interference by other parties. It is intended to gain the trust of the clients or public. The code of ethics contains rules that require members to behave accordance with the ethical standards that have been defined. Even though the professional code of ethics has been set, but many accountants are still rottenly violating the ethics. Many accountants did violation in the financial reporting and behave unethically. The competition in order to obtain a good image in the eyes of the client or public caused this infringement between accountant professional, by ignoring the code of ethics. The few cases related to an ethics violation, such as the Enron-Arthur Anderson and cases of ethics violations, occurred in Indonesia such as the case of Kimia Farma and PT KAI, creates a perception of the student against unethical behaviour accountant. There is the difference perception among students about the case. The perception depends on the sensitivity of the students themselves and the natural innate of the students (Ferdinandus, 2014).

The phenomenon happening lately, make the accounting professional ethics a prolonged discussion in the community. Aware of this matter makes ethics as a very important requirement for all professions. In Indonesia, the existing education there had been too emphasized only on the importance of academic value and intelligence. Teaching integrity, honesty, commitment, and fairness is often overlooked, so that caused the happening of a multi-dimensional crisis like the economic crisis, a moral crisis and a crisis of confidence.

Accountant rated as the cause of the economic crisis. Further told that the accountant is considered to have deviated from the existing regulations, does not behave ethically and Breaking compliance. This is due to the increased competition resulting accountants acting deviate from the rules, laws and accepted rule of auditing standards. However, the ethical dilemmas cannot be unilaterally directed against the association of accountants, but there are some other things that should be questioned as to whether the accountant is able to complete its work with high quality of professional standards by a number of factors which will depend on its standards such as education, awareness of development etc. If confidence in the profession under pressure, involvement in the organization's ethical culture is so necessary (Widaryanto, 2007).

Accountants Professional Ethics have been studied as a crucial issue at the moment of several large cases struck the Certified Public Accountants. Information about scandal cases such as AHold in Netherland, Adelphia, CMS Energy, Dynergy, Global Crossing, Harris Scarfe and lilli in Australia, One-Tel, Parmalat in Italia, Peregrine, Qwest, Sunbeam, Tyco, Xerox, the Enron scandal in the USA, Worldcom, and several large companies case in the USA around 2002. The incident was caused by the closure of Enron and one of the world largest public accounting at the time. While some of the cases hit the local public accounting does occur in the country. The case of PT Telkom, PT Kereta Api Indonesia, PT Kimia Farma are some examples.

Other examples disclosed by Koenta Adji Koerniawan on his research "*Etika Profesi Dalam Problematika di Era Kompetitif Menurut Sisi Pandang Akuntan Publik*", Accountants who work as teachers (lecturers) in accordance

with the provisions of the academic and based on standards Badan Kinerja Dosen (BKD) is required to carry out teaching activities for 14 meetings plus 1 times UTS and 1 UAS, therefore the total learning activity they had are 16 times in one semester. For reasons busyness or other reasons, many accountants who work as a lecturer, unable to fulfil the lecture contract. It is also one of an example of a violation of Accountants Professional Ethics happening in the academic environment. Some experts argue that these cases happen because of the failure on implementing the Accounting Profession Ethics in Public Accounting practice. Although the ethics principles of Accounting Profession apply not only for the Certified Public Accountants but also binding for other professions who cultivate the field of accounting expertise. Therefore, The Government Auditor, Internal Auditor, and the lecturer, also attached by the Accounting Profession Ethics. The public already understands that the Accounting Profession Ethics is the same thing as Professional Ethics of Certified Public Accountants. in fact, when referring to the job descriptions of the professions in the IAI (Institute of Accountants Indonesia), there are: (1) Compartment Accountants Public Sector (2) Compartment Management Accountants (3) Accountants Compartment Educators. For Public Accountant, it has been separated from IAI and established their organizations called IAPI (Institut Akuntan Publik Indonesia). An accountant who works as a tax consultant, incorporated on IKPI organization (Ikatan Konsulen Pajak Indonesia). The impact caused by the violation of the Ethics more directly felt into the public economy (reduced investor confidence showed by the reduction of transactions that occur in capital markets), and large scale of media blow up would be shows as if trouble Ethics of Professional Accountants only be

a domain for Accounting Firm public and public Accountant. Therefore, it is less precise Thus who make the terminology of Accountants Professional Ethics has the same thing as Professional Ethics of Certified Public Accountants.

Many ideas are trying to provide an alternative accounting. In Harahap (2008) mentioned some thought who try to provide alternatives such: Hayashi (1989) he put forward some new school paradigm, for example, British Critical Accounting School, Gambling' s Societal accounting, Hopwood 's alternative accounting theory, Political economy of accounting. Triyuwono (2000) suggested some accounting thought that based on classic American system example: Interpretive Paradigm led by Preston, 1986, Critical Paradigm support by Tinker, 1984, 1988, Tinker, Merino, and Neimark, 1982, and postmodernism paradigm delivered by Arrington and Francis, 1989, Rashid, 1995, Triyuwono, 1998. Self-discipline of conventional accounting bring a fourth of few concepts out such as current cost accounting, the emergence of Socio-economic accounting, environmental accounting, employment report, human resources accounting, Islamic accounting and value added report (Belkaoui, 1984, Harahap, 2003). In economics there is a lot of people who have provided some alternatives insight, for example, Umer Chapra (1992, 2000), MA Choudhury (1997), MA Manan (2000) with the Economic sharia, Christian Ashford and Shakespeare (1999) with Binary Economics, from Buddha EF Schumacher the motto and the title of the book "Small is beautiful" (Harahap, 2008). Meanwhile, Ludigdo (2005), explore conceptually about the effort that may be help on fostering ethical practices development in the public accounting firm (KAP). By doing the synthesis of some concepts and theories, ethics could be developed more way comprehensive on

public accountant firm (KAP). The development of ethical practices can be done either through a pattern that explicitly or implicitly, by taking into the potential development of emotionality (EQ) and spiritual (SQ) individual account members of the organization KAP (Ludigdo, 2005).

The problem of professional ethics is always an interesting issue for research purposes. Without ethics, the accounting profession will not be able to perform its function as the accounting profession as a provider of information for business decision-making process which is done by the business people. The perpetrators of this business are expected to have high integrity and competence in their line of work (Abdullah and Halim, 2002). There is a lot of ethical violation going on conducted by accountants at the moment, for example in the form of engineering of accounting data to make the company's financial performance look better, this is a violation of accountant's professional ethics toward accountant code of ethics. Accountant profession has a set of its own ethical code which names as the rules of moral behaviour for accountants in the public and future generations.

Accounting education which been taught by several Universities had been impressed by the stagnant knowledge. This kind of definition limits the formation of attitudes of students in ethical behaviour. For example, unethical student behaviour did by a lot of students in Indonesia during their lecturing attendance or commonly known by the student with the term of "illegal absent", cheating on tests, plagiarism, sought the lecturers to be rated high, or not been contribute during group work. Students were often late in attending lectures or while collecting the assignment. Sometimes students pay less attention in their relation

in honour the lecturers, for example, lack of respect for lecturers' explanation in the class, lack of communicating manner with their professors, and no more greeting habit outside the lecture hours'. Therefore, the formation of attitudes and ethical behaviour of students is very important (Prabowo, 2011).

Ethical behaviour can't be influenced only by the business environment. Education environment also affects a personal ethical behaviour. Prospective accountants need to be given a sufficient understanding to the problems of professional ethics that could possibly face in the future. The subjects which contain moral and ethical teachings are very relevant to be delivered to students. Developments in the accounting profession lines have an important role for the ethics of education in Indonesia.

To support the ethical theory of accounting as what it's described above, the research activities of academia is dominated by Accountants Professional Ethics topics by taking Public Accountant and Public Accountant Office as object research. For example, research on Ethics Accountant did by Volker (1984), Bebeau, et al (1985) stated that the Professional Accountants when they find the technical nature problem tend to ignore moral issues. Afterward, Cushing (1999) research offers a framework based on the Game Theory to approach standard test of the accounting profession ethics (read: Public Accountants). Research conducted by Ludigdo (1999) resulted in the formulation that the Ethics violations should not occur if the accountant has the knowledge, understanding, and a willingness to apply the moral values and ethics adequately considered in the implementation of his professional work. Results Payamta (2002) states that based on the IFAC Code of Ethics, the ethical requirements of an organization of

accountants should be based on the basic principles that organize the actions/behaviour of accountants in performing their professional duties. Those principles include (1) integrity, (2) Objectivity, (3) Independence, (4) Trust, (5) Technical standards, (6) Professional Ability, and (7) Ethical Conduct. Another interesting opinion came from Sudiby (1995) in Khomsiyah and Indriantoro (1998) which states that the Accounting Education World has a great influence on the Ethics Behaviour of Auditors. The opinion of Sudiby providing some information to us, that talking about Certified Public Accountants Professional Ethics it is linked to the implementation of the Accounting Profession Ethics Educators.

Indiana Farid Martadi and Sri Suranta (2006) conducted a research about "*Persepsi Akuntan, Mahasiswa Akuntansi dan Karyawan Bagian Akuntansi dipandang dari segi gender terhadap Etika Bisnis dan Etika Profesi*". Ethical attitude can be influenced by gender or sex. According to the Anna Maija Lamsa et.al (2007) study, women have higher ethical values than men. More female students have ethical, environmental, and social dimensions on running the company than male students. According to research Annisa Islamira (2008), women have higher ethical values compared to men. Ethical value, environmental, and social dimensions owned by women could be a better influence on the company than male students.

Accounting students are the next generation who will replace the public accountant profession in the future. Therefore, the knowledge of ethical behaviour is required as a provision as a professional public accountant. The ethical behaviour knowledge of accountants will shape perceptions and influence

personality of students to behave well. However, there is quite a different thing that the knowledge they have been learning during college and the application in the workplace. When the student has successfully become an accountant and they need to face with the poor working environment, it is possible they will forget the ethics and deviate the existing ethics.

Ethics is a cornerstone of a personal act so it basically controls you to not deviate the rules so that you can have a good behaviour. Ethics is not regulated by law but ethics naturally flows in society. Ethics is not only the real thing in the sort of society life, but also it's being in the world of work which is commonly referred as professional ethics. Professional ethics also called by a code of conduct. The function of the ethics code is to regulate the members of accounting profession according to the procedure and the rules it has been set. (Al-Fithrie, 2015).

Individual characteristics such as the Moral Reasoning and Ethical Sensitivity will affect a person in making ethical decisions. Welton (1994) states that an individual's ability to resolve ethical dilemmas influenced by the level of moral reasoning. The results from several studies presented in Liyanarachchi (2009) showed that the level of individual moral reasoning will affect their ethical behaviour. When faced with ethical dilemmas people with a low level of moral reasoning behave differently rather than people who had a high level of moral reasoning. According to Rest (2000), a person with the high level of moral reasoning tends to be more ethically well behave.

Morality is deeper than just the observed behaviour. In assessing a behaviour, you need to focus on consideration or thought underlying moral judgments. Moral behaviour is the result of someone's moral judgment, it can be displayed in the same form but the reason behind it can be different. Kohlberg (1995) stated as a moral reasoning that is the reasons or considerations in assessing why an action that may or may not is done. An auditor can use the understanding of moral reasoning in terms of morality, to maintain professional values as a standard of ethics or code of conduct, (Gaffikin and Lindawati, 2012). Moral reasoning is one factor that considered as an influence on audit quality. also often referred as (moral judgment / moral thinking) which is a process of determining right and wrong experienced by an individual in some situation that influences a deciding factor on ethical decision making (Januarti and Faisal, 2010). Therefore, moral reasoning is very important for auditor in order to improve the audit quality.

In addition to moral development theory, there are other theories that underlie the observation of moral reasoning called the attribution theory. However, the attribution theory focused on individual behavioural suggests not only on internal but also external individuals' observation. Testing on moral reasoning as a factor which is affects the quality of the audit based on the fact that quality of auditing in the public sector often left behind rather than the quality of audits in the private sector. This issue inspired of many researchers to explore a variety of factors that could affect the quality of the audit. Moreover, the reasons for determinatense of moral reasoning as the only variables that affect the quality of

auditing in this study is due to disagreement on the results of previous studies on the influence of moral reasoning on audit quality.

Gaffikin and Lindawati (2012) stated moral reasoning defined as the underlying reason for a person to commit an act or the reasons to justify or criticize someone act. An auditor who has high moral reasoning would more accurate on conducting an audit judgment, so resulting in the good quality of the audit. Alkam (2013) result study found that moral reasoning has a positive and significant effect on audit quality. But unlike the other, the conducted by Januarti and Faisal (2010) and Mustika, et al (2013) concluded that the variable moral reasoning has no effect on audit quality.

A student on their many terms of the condition requires deciding a moral judgment or moral opinion, which this situation associated to assess some behaviour could be done by the student. Some phenomena associated with moral judgments such as brawl between students taunted each other's behaviour or bullying among students, as well as the phenomenon of violence among students. When you explore further, there are students who did this, although a few of them didn't do that, not at all. As a student who has morality in accordance with the level of development, they need to realize that this sort of matter does not need to happen. All of these matters become so exciting to know, what is the reason behind any such of these behaviour where there are quite some certain judgments why the behaviour may or may not be done. (Al-Fithrie, 2015).

A student with high moral reasoning, the tendency to misbehave on their self is quite lower. This has to do with the moral reasoning that which dispute all the bad action and moral abuse. Morals and ethics owned by someone who aware the importance of behaving according to regulation or existing rules and good values that continuously form as a good habit. The awareness of the importance of ethical behaviour varies between individuals. The ability to realize their ethical values in making decision is known as the Ethics Sensitivity (Ferdinandus, 2014).

Ethical sensitivity is the ability of accounting students to realize the values of ethical or moral on an ethical of decision making (Rustiana, 2003). In this study ethical sensitivity is associated with the academic activities of students during the process of studying accounting and reflected the impact of the academic action on ethical behaviour when they becoming an accountant profession. (Ratdke, 2000) stated that the ethical sensitivity is sort of picture or a feature of the ethical behaviour conduct by students after their graduate. Sensitivity is a trait that detects the possibility of graduates' student on their ethical behaviour. If the student as prospective accountant behaved unethically then there are the chances that they will unethically behave after graduation. This problem needs to be addressed early with providing curriculum subjects of ethics in accounting major so that accountant profession is able to compete and professionally behave in the future. Due to the existing regulations couldn't be a means to make ethical decisions, the ethical decision becomes more complicated to assess. The legal decision is not always ethical, in this bias circumstance, the ethical issues rottenly triggered. Ethical Sensitivity is very important for each individual to measure the sensitivity of good values on the environment. Each person has their sensitivity to

ethics. The variety of level of sensitivity varies between individuals. The level of sensitivity is influenced by several factors, such as ethical orientation, professional commitment, organizational commitment, cultural or environmental culture, and personal character. Ethics in accounting research focused on the ability of decision-making and ethical behaviour. Auditor ethics acknowledge the nature of ethics in the decision; the moral scheme will not lead to the ethical issues (Jones, 1991). Therefore, ethical sensitivity is the ability to recognize the ethical character of decision-making.

Ethical Sensitivity is very important for each individual to measure the good values of sensitivity on the environment. Each person has their sensitivity to ethics. The variety of level of sensitivity varies between individuals. The level of sensitivity is influenced by several factors, such as ethical orientation, professional commitment, organizational commitment, cultural or environmental culture, and personal character. Based on the reasons above, the author is interested in conducting this research on accounting students of University of Diponegoro (UNDIP) with the title: "The Influence of student Accounting Moral Reasoning and Ethic Sensitivity Toward Unethical Academic Behaviour".

The study object of this research are students of Accounting program batch 2013-2016 at University of Diponegoro (UNDIP). This is because they are the students who will soon graduate and enter the work environment. The student expects to be ready to address the problems in their work area. Furthermore, this accounting student graduated from Auditing I and Auditing II class.

## **1.2 Problem Identification**

Based on the argument above, the researchers identify the problem as follows:

1. The existence of several cases of ethics violations committed by accountants showed the lower ethical behaviour of accountants.
2. Increasing number of unethical behaviour made by students during the lecturing, such as examination cheating behaviour, signed Presence to the friend who is not attended to the class, or ditching that sort of things should not be done by the students.
3. Low levels of Moral Reasoning owned by the students, causing some of the phenomena associated with moral reasoning among students, such as the phenomenon of fighting between students, taunted each other or bullying behaviour among fellow students, as well as the phenomenon of violence among students.
4. Students with low levels of Ethical sensitivity tend to ignore ethics.

## **1.3 Problem Statement**

Ethical behaviour is a very important thing that each accounting profession needs to have. Ethical behaviours support accountant compliance rules toward accountant profession and applicable ethics. Considering the important influence of personal characteristics in making an ethical decision, Accounting Education World has a great influence on the ethics behaviour of Auditors, Khomsiyah and Indriantoro (1998). This study will be specifically confined in the personal factors

that possibly influencing the ethical conduct named Moral Reasoning and Ethical Sensitivity.

Based on arguments above, the questions that have risen is as follows:

1. Does Moral Reasoning affect the unethical Academic behaviour of Accounting Students?
2. Does the Ethical Sensitivity affect the unethical Academic behaviour of Accounting Students?

#### **1.4 Study Objective**

In accordance with the problem statement, the purpose of this study follows:

1. To examine the influence of Moral Reasoning toward the unethical academic behaviour of Accounting Students.
2. To examine the influence of Ethical Sensitivity toward the unethical academic behaviour of Accounting Students.

#### **1.5 Contribution of Study**

The results of this study are expected to give contributions to the various parties associated with the public accounting profession such as follows:

### 1. Benefits for Authors and Other Researcher

To increase understanding of the influence of Moral Reasoning and Ethical Sensitivity to the Unethical behaviour of accounting student and apply the knowledge that has been gained in the lecture bench into practice, especially those related to the problems examined. Also, to practice on the writing ability and researching.

### 2. Benefit for the development of the theory

Contribute the development theory and as a reference for the influence of Moral Reasoning and Ethical Sensitivity towards the unethical behaviour of Accounting Students. Furthermore, to help interested reader to examine the similiar issue and used these research as reference material.

### 3. Benefit for academic world

To be used as a good reference material or as the comparison data in the field of accounting behaviour studies, broaden the new knowledge and provide empirical evidence from previous studies.

This study is expected to prepare the student (candidates accountant) to be ready to face the variety of accounting case and addressing the problem which will be happening in their future work area.

This study is expected to give a positive impetus toward the college institutions/universities in Indonesia to be more active in providing education in a professional and adequate way in order to bring forth to the more competent accounting graduates and have the basic ethics of accounting professional as an accountant.

#### 4. Benefit to the organization

To be used as input to the public accountant firm, to determine the influence of psychological factor on psychological empowerment factor to facing of turnover intention potential in public accounting firm. And also support the professional career development.

#### 5. For Further Research

The results of this study are expected to be a discourse or reference to formulate a new problem in future studies. This research is also expected to deepen the knowledge in the field of Accounting and Auditing.

### **1.6 Thesis Outline**

#### **CHAPTER I INTRODUCTION**

This chapter describes the study background, problem statement, the study objectives and contributions as well as the thesis outline.

#### **CHAPTER II LITERATUR REVIEW**

This chapter contains the theories that underlie this study, the definitions of the term, and results of previous studies. This chapter also describes the theoretical framework and the hypothesis development.

**CHAPTER III RESEARCH METHODOLOGY**

This chapter describes the research methodology which is operated in the conduct of the study. The description includes the definition and measurement of variables, population and samples, the type and source of data, the methods of data collection, variables identification and data analysis methods.

**CHAPTER IV DATA ANALYSIS AND DISCUSSION**

This chapter explains the object of study, the quantitative analysis, results in interpretation and argumentations.

**CHAPTER V CONCLUSION**

This chapter contains the conclusions and limitations of the study. Suggestions or future studies are also included in order to overcome the limitation.