

The Influence of Ethical Orientation and Types of University on Students' Perceptions of Creative Accounting

Agus Putranto¹, M. Trihudyatmanto^{2*}

Faculty of Economics and Business, Universitas Sains Al-Qur'an Central Java in Wonosobo, Indonesia

Email : trihudyatmanto@unsiq.ac.id

Abstract

Purpose - The purpose of this study was to identify the effect of professional accountant ethics, ethical orientation, level of accounting knowledge, type of university on creative accounting (a case study on economics students, al-Quran science university, Central Java in Wonosobo. The data used in this study was by sharing questionnaire directly to Accounting students, Faculty of Economics, Al Quran Science University, Central Java.

Methodology - The population of this research is economics students class 2021, Universitas Sains Al-Qur'an (UNSIQ) Jawa Tengah di Wonosobo. The analytical method used in this study is multiple linear regression analysis, then using descriptive statistical tests, validity tests, reliability tests, goodness of fit tests, normality tests, multicollinearity tests, heteroscedasticity tests, and hypothesis testing including the coefficient of determination test and the significant test of the regression coefficient with 5% significance level.

Results - The results of this study indicate that ethical orientation and type of university have a positive effect on creative accounting

Keywords: *Ethical Orientation, Type of University, Creative Accounting.*

Introduction

Creative accounting is the transformation of accounting in financial statements by using various alternative choices of accounting methods, estimates, and accounting practices permitted by accounting standards). Creative accounting is still controversial due to ethical dilemmas that must be considered by professional accountants when using the methods used in financial reports, because creative accounting practices do not violate legal rules and accounting standards, but creative accounting can cause financial statement errors. There are differences of opinion regarding creative accounting, whether it is ethical or unethical (Faragalla, 2015).

Several factors that influence the perception of creative accounting are ethical orientation, and the type of university. Research on the perceptions of accounting students regarding creative accounting has also been carried out, including: 1) May Dhiana (2017), 2) Maria Yolanda (2017), 3) Anantawikrama (2018), 4) Isugi Astuti (2018). This study identifies the effect of ethical orientation and type of university on creative accounting. There are different perceptions regarding creative accounting for each individual, some have the perception that creative accounting is an ethical and permissible action, some think that creative accounting is unethical and should not be done.

Literature review**Perception of Creative Accounting**

According to George Lan et al., (2015) students' perception of creative accounting is a process of understanding an accounting student about the process of transforming financial statements by using alternative choices allowed by accounting standards with the aim of manipulating financial statements as desired. Students with negative perceptions about creative accounting will make students more assertive about the practice of creative accounting. On the other hand, for students who have a positive perception of creative accounting, students are more open to creative accounting practices. The indicators for students' perceptions of creative accounting are a reduction in net income, an increase in net income, personal interests and the interests of those closest to them. This variable was measured by a questionnaire developed by George Lan et al., (2015).

Ethical Orientation

According to Khomsiyah and Indriantoro (2015) ethical orientation is an alternative to one's behavior to resolve ethical dilemmas and the expected consequences of different functions. A person's ethical behavior is determined by the self-concept of each individual according to the role he or she holds. The indicators of ethical orientation are: idealism and relativism. This variable was measured by a questionnaire developed by Khomsiyah and Indriantoro (2015). Then the proposed hypothesis is:

H1: Ethical orientation affects creative accounting.

Type of University

According to Yulistiana (2016) universities are places where students seek knowledge. Universities are generally divided into two, namely public universities and private universities. State universities (PTN) are higher education organized by education units and held by the government, in this case other government departments or institutions, while private universities (PTS) are higher education organized by educational units held by the community. The indicators for the type of higher education are: perceptions of state universities (PTN) and private universities (PTS). This variable was measured by a questionnaire developed by Yulistiana (2016). Then the proposed hypothesis is:

H2: The type of university has an effect on creative accounting.

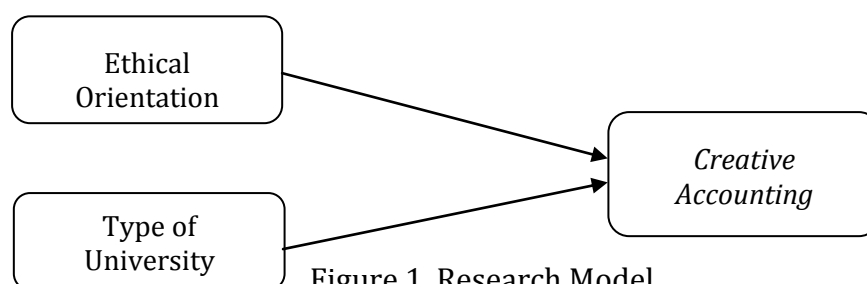
Theoretical Framework

Figure 1. Research Model

Methodology

Data source

The source of data in this study came from respondents, namely economics students from the 2021 class of Universitas Sains Al-Qur'an (UNSIQ) Jawa Tengah di Wonosobo.

Method of collecting data

The data collection method used in this study was a questionnaire. The scale used in the preparation of this research questionnaire is the Likert scale. According to Sugiyono (2013) the Likert scale is a scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena.

Results and Discussion

Data collection was carried out by distributing 74 questionnaires with a 100% questionnaire return rate to students of the economics faculty of the 2021 batch of Universitas Sains Al-Qur'an Jawa Tengah di Wonosobo.

Hypothesis test

Table 1
Results of Testing Factors Affecting Accounting Students' Perceptions About Creative Accounting

Creative Accounting					
Model	Coefficients ^a			t	Sig.
	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1,493	2,782		,537	,593
Ethical Orientation	,197	,081	,259	2,440	,017
Type of University	,137	,064	,217	2,134	,036

a. Dependent Variable: Persepsi Mahasiswa Akuntansi Mengenai Creative Accounting

Source: Primary Data Processed, 2021. (Appendix 8)

Based on table 4.11, the following regression equation can be obtained:

$$Y = 1.493 + 0.197 \text{ EO} + 0.137 \text{ TU} + 1.560$$

The regression equation has the following meaning:

1. The constant value of 1.493 (positive) indicates that without being influenced by independent variables, namely accounting professional ethics, ethical orientation, level of accounting knowledge, type of university, the perception of accounting students about creative accounting is good.
2. Based on table 1, for the ethical orientation of accounting students' perceptions of creative accounting (H1) it has a coefficient of 2.440 (positive) and is significant at 0.017. Because it has a significant level of less than 0.05, it can be concluded that H1 which states that there is a positive influence between ethical orientation on accounting students' perceptions of creative accounting, is accepted. This means that ethical orientation has a positive effect on accounting students' perceptions of creative accounting. The existence of an ethical orientation that is owned by each individual will encourage individuals to continue to behave ethically and have a

- negative perception of unethical behavior, so that ethical orientation affects one's perception of creative accounting. Assuming other variables are considered constant.
3. Based on table 1, the type of university on the perception of accounting students regarding creative accounting (H2) has a coefficient of 2.134 (positive) and is significant at 0.036. Because it has a significant level of less than 0.05, it can be concluded that H2 which states that there is an effect of the type of university on the perception of accounting students regarding creative accounting, is accepted. This means that the type of university has a positive effect on the perception of accounting students about creative accounting. This is because the type of university will affect the quality of students in understanding a material, because each university has a different teaching method, giving rise to perceptions of creative accounting. Assuming other variables are considered constant.

Coefficient of Determination (Adjusted R Square)

Table 2
Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	,543 ^a	,294	,254	1,560

a. Predictors: (Constant), Type of University, Ethical Orientation

Primary data sources processed, 2021 (attachment 9)

Table 2 shows the adjusted R square value of 0.254 or 25.4%, this shows that the variable perception of accounting students regarding creative accounting can be explained by the variables of accounting professional ethics, ethical orientation, level of accounting knowledge, type of university by 25.4%, while the remaining 74.6% was caused by other factors not examined in this study.

Discussion

The Influence of Ethical Orientation on Accounting Students' Perceptions of Creative Accounting

Table 1 shows that ethical orientation has a positive effect on accounting students' perceptions of creative accounting. The results of this study are in line with previous research conducted by Maria Yolanda (2017) and Intan Saputri (2017) which proved that ethical orientation has a positive effect on accounting students' perceptions of creative accounting.

This study proves that the ethical orientation of each individual will encourage individuals to behave ethically and have a negative perception of unethical behavior, so that ethical orientation affects one's perception of creative accounting.

The Influence of Types of University on Accounting Students' Perceptions of Creative Accounting

Table 1 shows that the type of university has a positive effect on accounting students' perceptions of creative accounting. The results of this study are in line with previous research conducted by Maria Yolanda (2017) which proved that the type of university has a positive effect on accounting students' perceptions of creative accounting.

This research proves that universities play a big role in helping to shape a student's perception through learning methods in lectures. The provision of knowledge about accounting at universities is certainly different from one university to another, both from state universities and private universities. These differences affect the differences in the quality of students produced even though the curriculum is the same, giving rise to perceptions of creative accounting.

Conclusion

The results of statistical testing on the influence of knowledge of professional accounting ethics, ethical orientation, level of accounting knowledge, type of university on accounting students' perceptions of creative accounting (Case study of 2021 class of economics students, Universitas Sains Al-Qur'an (UNSIQ) Jawa Tengah di Wonosobo) can be concluded as following:

1. The ethical orientation variable has a positive effect on the perception of accounting students about creative accounting. (H1 is accepted). This means that the ethical orientation of each individual will encourage individuals to continue to behave ethically and have a negative perception of unethical behavior, so that ethical orientation affects one's perception of creative accounting.
2. The type of university variable has a positive effect on the perception of accounting students about creative accounting (H2 is accepted). This means that universities have a big role in helping to shape a student's perception through learning methods in lectures. The provision of knowledge about accounting at universities is certainly different from one university to another, both from state universities and private universities. These differences affect the differences in the quality of students produced even though the curriculum is the same, giving rise to perceptions of creative accounting.

Suggestion

Based on the results of the study, there are suggestions that students of the Faculty of Economics UNSIQ Jawa Tengah di Wonosobo tend to have idealistic characteristics. This is one of the good assets for students as prospective accountants in the future. Therefore, lecturers need to find ways so that existing lectures can strengthen student ideals and make students able to distinguish between ethical behavior and unethical behavior.

References

- Amat, O. & Gowthorpe, C. 2014. Creative Accounting: Nature, Incidence and Ethical Issue. UPF Working Paper, No. 749.

- Brooks, Leonard J. Dan Dunn, P. 2016. *Business and Professional Ethics for Directors, Executives, and Accountants*. Jakarta: Four Salemba
- Forsyth, D. 2015. "A Taxanomy of Ethical Ideologies". *Journal of Personality and Social Psychology*. Vol 39, pp. 175-184.
- George Lan, Maureen Gowing, and Talal Al-Hayale. 2015. "The Role of Intense on Accounting Students "Ethical Attitudes Towards Earnings Management". *Journal of Academic Ethics*. Canada.
- Hapsari, Novyka P. 2016. "Students and Students Perceptions of Business Ethics and Professional Ethics (Case Study on Students and Students of the Faculty of Economics, Accounting Department, Muhammadiyah University of Surakarta)". Thesis. Surakarta
- Harry Andrian 2013. "Accounting Students' Understanding of the Meaning of Cost (Case Study in PTN and PTS in Semarang City)". Thesis. Semarang Martinis, Yamin. 2006. *Teacher Professional Certification in Indonesia*. Jakarta: Gaung Persada Press.
- Henry, K. 2013. "Differences in the Ethical Perception of Accounting Lecturers on Earnings Management Practices in Pekanbaru City in a Gender Perspective". *Marwah*, Vol. XXI, No. 2.
- Himmah, E. F. 2013. "Ethical Perceptions of Accounting Students Regarding Ethical Scandals of Auditors and Corporate Managers". *Journal of Multiparadigm Accounting*. Vol. IV, No. 1, Pg. 26-39.
- <https://www.academia.edu>, 2017
- Imam Ghozali. 2013. *Application of Multivariate Analysis with SPSS Program*. UNDIP Publishing Agency. Semarang.
- Khomsyah & Indriantoro, N. 2015. "The Influence of Ethical Orientation on the Ethical Commitment and Sensitivity of Government Auditors in DKI Jakarta". *Indonesian Journal of Accounting Research*. Vol.1 (January): 13-28
- Malia. 2018. "The Influence of Ethical Orientation and Experience of Accountants on Ethical Perceptions About Creative Accounting Practices (Study on Accountants in Jakarta)". Thesis. Jakarta
- Maria Yolanda. 2017. "The Influence of Ethical Orientation, Level of Accounting Knowledge and Type of University on Ethical Perceptions of Accounting Students Regarding Creative Accounting Practices". Accounting Study Program, Department of Accounting Education, Faculty of Economics, Yogyakarta State University
- Mautz, R. K., & Sharaf, H. A. 2015. *The Philosophy of Auditing*. USA: American Accounting Association.
- Mela Fitria. 2015. *The Influence of Idealism, Relativism, Accounting Knowledge Level, and Gender on Accounting Students' Perceptions About Creative Accounting Crisis (Empirical Study of University Accounting Students in Padang City)*.
- Sugiyono. 2013. *Qualitative Quantitative Research Methods*: Alfabeta. Bandung.
- Sulistiwani, D. 2016. "Accounting Community Perceptions of Creative Accounting Practices". *Accounting and Information Technology*, Vol. 5, No. 2, pp. 115-128.

-
- Wati, Rina Y. (2015. "Accounting Students' Perceptions of Accountant Professional Ethics (Studies at State Universities and Private Universities in Jember)". Thesis. Jember
- Widiastuti, E. 2015. "The Influence of Ethical Orientation, Equity Sensitivity, and Javanese Culture on Ethical Behavior of Auditors at Public Accounting Firms in Yogyakarta". Thesis. Yogyakarta.
- Yuli, Deri. (2013). Analysis of Factors Influencing Unethical Behavior of Accounting Staff (Empirical Study on SKPD in Padang City). Thesis of Accounting Study Program, Faculty of Economics, Padang State.