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Love of Money, Machiavellian Characteristics, and Ethical Decision Making of Accounting Students

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Abstract. The purpose of this study is to find out about the influence of love of money, ethical considerations, the nature of machiavellian, questionable actions toward the ethical decision making of accounting students in university with gender variable as moderators. The sample of this study includes 179 accounting graduate students consisting of 124 students UNAIR, 29 students of STIESIA, and 26 students UPN Surabaya. The data is obtained through random sampling method. The analyzer uses Partial Least Square (PLS). The result of this study explain that gender cannot be considered as a moderating variable on the influence variable of Love of Money, ethical considerations and questionable actions toward the ethical decisions making of accounting students university. However, gender can be a moderating variable for the influence the nature of machiavellian toward the ethical decision making of accounting students university. In addition, love of money, ethical considerations, nature of machiavellian, questionable actions have a positive effects on the ethical decisions making of accounting students university.

Keywords : love of money, ethical considerations, the nature of Machiavellian, questionable actions, ethical decision making, gender.

1 Introduction

Public trust in the credibility and professionalism of accountants has declined lately [1]. This emerged as an excess of events involving large world companies such as the Enron Corp Case, an energy company in America based in Houston, Texas, United States. The company was founded in 1930 as Northern Natural Gas, before going bankrupt in late 2001, when they employed around 21,000 employees and was one of the world's leading companies in the fields of electricity, natural gas, pulp and paper, and communications. Enron claimed that their income in 2000 reached US \$ 101 billion. The collapse began in October 2001, when Enron officials reported a surprising quarterly activity of \$ 628 million, allegedly due to a hidden alliance of parties related to people in the company. In November 2001, company officials recognized a 1997 loss of US \$ 600 million, which required the re-representation of the audited financial statements for four years. At the end of 2001, Enron was declared bankrupt. Likewise, there are cases involving domestic companies such as the case of Bank Global, Bank Lippo, PT. Telkom, PT. KAI, PT Kimia Farma, Great River International, Bank Duta, and Pertamina in Balongan Refinery [2].

These cases make people doubt the ethics and professionalism of an accountant [3]. Therefore, an accountant must understand and inspire ethical actions by accountant actors, so they can implement ethical actions in the accounting field. One of the variables that influence ethical decision making is love of money, which is interpreted as an excessive love for money, connotes hedonism. The higher the level of love of money, the lower the ethical decision making [3]. Variables that also influence ethical decision making are Machiavellian traits, which are generally related to individuals who are manipulative, always use persuasive behaviour to achieve their personal goals, and are usually aggressive. The higher the Machiavellian level, the lower the decisions made based on applicable ethics. But the lower the Machiavellian level, the lower the decision taken, according to etiquette.

Another variable that influences ethical decision making is Questionable Actions, which are actions that are still questionable in truth and tend to have more unethical characteristics [4]. The higher the level of Questionable Actions, the more ethical considerations, vice versa. Gender as a moderating variable will moderate the love of money relationship to ethical decision making [4]. Gender as a moderating variable will also moderate the relationship of Machiavellian traits to ethical decision making. A woman will be more vulnerable to basing decisions based on their obligations, while a man is based on justice. Gender as a moderating variable will also moderate the questionable actions relationship to ethical decision making, based on various explanations and relationships between variables.

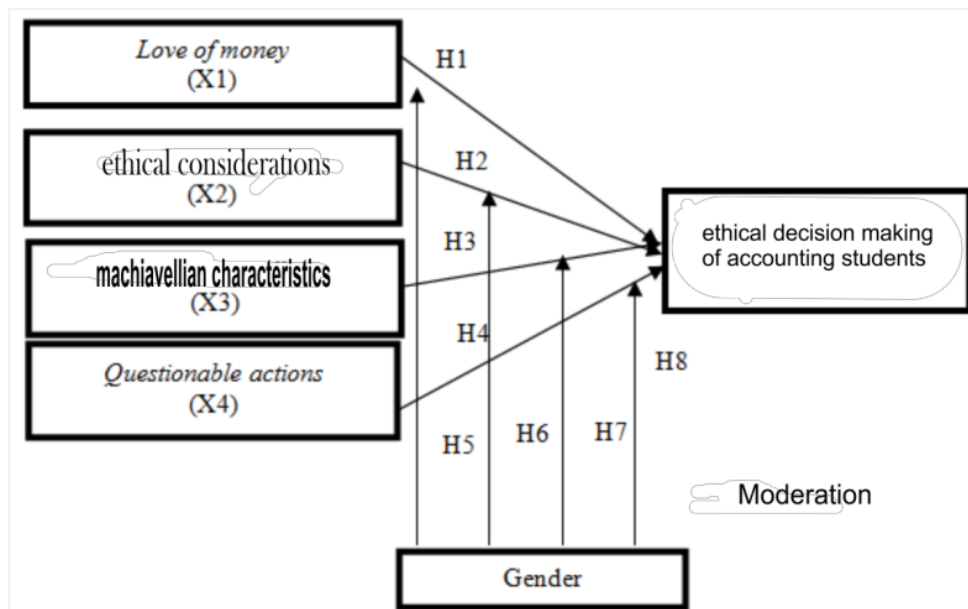


Fig. 1. Research Model

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- H1 = Love of money influences the ethical decision making of accounting students
- H2 = Ethical considerations influences the ethical decision making of accounting students
- H3 = Machiavellian characteristics influences the ethical decision making of accounting students
- H4 = Questionable actions influence on the ethical decision making of accounting students
- H5 = Love of money influences the ethical decision making of accounting students with gender variables as moderating
- H6 = Ethical considerations influences the ethical decision making of accounting students with gender variables as moderating
- H7 = Machiavellian characteristics influences the ethical decision making of accounting students with gender variables as moderating
- H8 = Questionable actions have an effect on the ethical decision making of accounting students with gender variables as moderating.

2 Research Method

This research is categorized as associative quantitative research [5] because this research examines the influence of the independent variables on the dependent and also the moderating variable. The moderating variable in this study is gender, while the independent variable consists of love of money, ethical considerations, Machiavellian characters, and questionable actions, while the dependent variable is the ethical decision making of accounting students.

Indicators for gender variables consist of men and women. Love of money is measured by indicators of good attitude, bad attitude, achievement, respect, budget and freedom [3]. Indicators Ethical considerations are measured by legal indicators and obedience, individualism, interpersonal norms, authority orientation, and social system morality [6]. Indicators of Machiavellian character are measured by indicators of affection, ideological commitment, ego, manipulative and aggression [6]. Questionable actions indicators are measured by indicators of ethical values and ethical considerations [4]. Indicators of ethical decision making are measured by indicators of demographic factors and psychological factors [7]. All measurements of these indicators are carried out with statements in questionnaires on interval 1 to 5, with 1 (strongly disagree) to 5 (strongly agree).

The population of this study included graduate students from Accounting UNAIR, STIESIA and UPN Surabaya. Universities in Surabaya were chosen as populations because there are several universities in the area that provide graduate programs of Accounting, and researchers set three universities that have the same accreditation, which are A. Accreditation. In addition, S2 Accounting students understand more about the variables under study, and S2 Accounting students have been able to interpret the variables under study, so this research can be done by asking for student opinions through questionnaires.

The population of this study is 325 students (BAA, 2018). Based on Slovin formula [5], the samples taken were 179 students.

Data was collected by distributing questionnaires to respondents selected randomly, due to differences in the number in each university. After the data is collected, the stages of data analysis performed are convergent validity, discriminant validity and composite reliability test, hypothesis testing with R Square and path coefficients.

3 Result and Discussion

Questionnaires are distributed to 179 respondents. All questionnaires are returned and can be used for data analysis. Based on the questionnaire data obtained, the researcher then tested the data quality in the form of convergent validity, discriminant validity and composite reliability tests. As a result, all research instruments and constructs are declared valid and reliable. It means that all statement instruments in the questionnaire are able to express something that should be measured on the instrument item. The data results are reliable, which means that the instrument can be trusted to be used as a data collection tool because the measuring instrument is good [8].

All variables in this study were declared valid because all the questions in the questionnaire were above the significant level above 0.50. This means that each item in the question used in this research is able to reveal something measured on the question.

A construct or variable is said to be reliable if it gives the value of cronbach's alpha > 0.70. Otherwise, it is declared unreliable. Variables X1 (Love Of Money), X2 (Ethical Considerations), X3 (Machiavellian characteristics), X4 (Questionable Actions) and moderating variables Z (Gender) and Y (Ethical Decision Making of Accounting Students) are reliable. This is because alpha count > 0.70 so it can be concluded that the item variables are declared reliable.

Test path coefficients are used to test the effect of exogenous variables on endogenous variables through variables. This means that there is an influence of love of money, ethical considerations, Machiavellian characteristics, questionable actions towards ethical decision making made by accounting students with gender variables as moderating. Test path coefficients for each hypothesis can be seen in the t-statistic significance value of each variable in the PLS output with a significance level of 196. This is explained in Table 1.

Table 1. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standar Deviation (STDEV)	T Statistic (O/STDEV)	P Values
LOM -> PKE	0.244	0.245	0.061	3.964	0.000
PE -> PKE	0.153	0.158	0.068	2.246	0.025
SM -> PKE	0.256	0.256	0.087	2.952	0.003
QA -> PKE	0.236	0.231	0.061	3.862	0.000
G-LOM -> PKE	0.091	0.095	0.060	1.518	0.130
G-PE -> PKE	0.080	0.073	0.076	1.054	0.293
G-SM -> PKE	-0.185	-0.185	0.091	2.034	0.042
G-QA -> PKE	0.071	0.074	0.064	1.116	0.265

Source : Output PLS

Based on Table 1, it is obtained that the significance value for the variable love of money (X1) is 3.964, or greater than the T-statistic value of 1.96. This means that H1 is accepted, which means that the variable love of money (X1) influences the ethical decision making of accounting students (Y). The ethical consideration variable (X2) has a value of 2,246 greater than the t-statistic value of 1.96. This means that H2 is accepted, or the ethical consideration variable (X2) influences the ethical decision making of accounting students (Y). The Machiavellian characteristic variable (X3) of 2.952 is greater than the t-statistic value of 1.96. This means that H3 is accepted, or the Machiavellian characteristic variable (X3) influences the ethical decision making of accounting students (Y). Questionable actions variable (X4) of 3,862 is greater than the t-statistic value 1.96. This means that H4 is accepted, or questionable actions variable (X4) influences the ethical decision making of accounting students (Y).

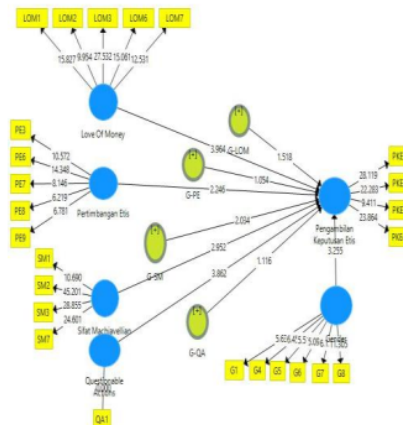


Fig. 2. Convergent Validity

Source : Output PLS

In this research, there is moderation variable, is gender. The moderating variable serves to strengthen the position of the independent variable. Based on the analysis held, the value of love of money of 1.58 is smaller than the value of the T-statistic of 1.96. This means that H5 is rejected, or the love of money variable is not significant for ethical decision making of accounting students with gender variables as moderating. The ethical consideration variable has a value of 1.054 smaller than the T-statistic of 1.96. This means that H6 is also rejected, or ethical consideration variables do not affect the ethical decision making of accounting students with gender variables as moderating variables. Meanwhile, Machiavellian properties variable has a value of 2.034 greater than the T-statistic value of 1.96, which H7 is accepted, or Machiavellian nature variable affects the ethical decision making of accounting students with gender variables as moderating. Questionable actions variable has a value of 1.116, smaller than T-statistic of 1.96. This means that H8 is rejected, or the questionable actions variable does not affect the ethical decision making of accounting students with gender variables as moderating variable.

Table 2. Hypotheses Test Summary

No	Hypothesis	Value T-statistics/T-calculate	Conclusion
1	H ₁	3,964 > 1,96	Significant
2	H ₂	2,246 > 1,96	Significant
3	H ₃	2,952 > 1,96	Significant
4	H ₄	3,862 > 1,96	Significant
5	H ₅	1,518 < 1,96	Not significant
6	H ₆	1,054 < 1,96	Not significant
7	H ₇	2,034 < 1,96	Significant
8	H ₈	1,116 < 1,96	Not significant

The result of the first hypothesis (H1) is accepted, which means that the variable love of money (X1) influences the ethical decision making of accounting students (Y). The result of the second study state that H2 is accepted, which means that ethical considerations (X2) influence the ethical decision making of accounting students (Y). The result of the third study state that H3 is accepted, which means that Machiavellian (X3) influences the ethical decision making of accounting students (Y). The result of the fourth researchstate that H4 is accepted, which means that questionable actions affect the ethical decision making of accounting students.

The result of the fifth researchstate that H5 is rejected, which means that gender cannot be a moderating variable on the influence of love of money on ethical decision making of accounting students. The result of the sixth researchstate that H6 is rejected, which means that gender cannot be a moderating variable on the influence of ethical considerations on ethical decision making of accounting students. The seventh research results state that H7 is accepted, which means that gender can be a moderating variable on the influence of Machiavellian traits on ethical decision making of accounting students. The result of the eighth researchstate that H8 is rejected, which means that gender cannot be a moderating variable on the effect of questionable actions on ethical decision making of accounting students.

4 Conclusion

Based on the results of the research and discussion, it can be concluded that gender cannot be a moderating variable for the influence of love of money, ethical considerations, and questionable actions on ethical decision making of accounting students. While gender can be a moderating variable for the influence of Machiavellian characteristics on ethical decision making of accounting students.

Meanwhile, love of money, ethical considerations, Machiavellian characteristics, questionable actions as independent variables positively influence the ethical decision making of accounting students as the dependent variable.

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