

The Influence of Ethics, Current Information, and Organizational Culture on Taking the Ethical Decision by Tax Consultant

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Abstract—This study aims at examining the influence of ethics, current information, and organizational culture on taking the ethical decision by tax consultants. The research method used is the quantitative method. The data collection technique used is a mail survey. The mail survey was conducted by sending a letter to the tax consultants registered at the North Jakarta Indonesian Tax Consultants Association. The research analysis uses Multiple Linear Regression. The results showed that ethics significantly influence ethical decision making by tax consultants, but current information and organizational culture has been proven not to have a significant influence on ethical decision making by tax consultants.

Keywords: *ethics, current information, organizational culture, taking the ethical decision*

I. INTRODUCTION

The taxation system with high complexity will make it difficult for taxpayers to follow the development of tax regulations and fulfil their tax obligations [1]. Tax consulting services are needed to assist taxpayers in carrying out their rights and obligations in the field of taxation in accordance with applicable laws and regulations.

Previous research shows that tax consultants' decision-making can be influenced by innate or external factors. Understanding tax consultant ethics is an internal factor [2]. While external factors in ethical decision making can be in the form of up-to-date information and organizational culture [3,4].

Ethics deals with good customs and habits, both in a person and in a society or community group [5]. Ethics refers to a system or code of moral obligation behaviour that shows how individuals must behave in society. Understanding the code of ethics will relate to the ethics of tax consultants, where this code of ethics is used as a guide in determining the actions taken by the tax consultant itself. Tax consultants should understand and make a point in determining actions [6]. There are times when the tax consultant profession is in an ethical dilemma that confronts a tax consultant to make a decision that is contrary to the principles of professionalism, for example with the existence of economic rewards that are material enough on the other side. With the conditions of the ethical

dilemma that often threatens the credibility of the professionals.

Information is data that has been managed and processed to give meaning and improve the decision-making process. As it plays its role, users make better decisions as to the quantity and quality of information improvement. Nevertheless, there is a limit to the amount of information that can be absorbed and processed by the human brain [7]. The up-to-date information by some researchers is proven as an external factor that influences the ethical decision making of the tax consortium [3]. But there is also evidence that current information does not affect the ethical decision making of tax consultants [8].

Tax consultants are faced with an external adaptation process, whereby the culture of the organization will determine how the organization fulfils its various objectives and deals with outsiders. So that organizational adaptation will provide a level of response to changing times, competition, innovation, and service to consumers. Organizational culture is essentially a system of general values [9]. Personal values began to be developed at the beginning of life. Like belief in general, arranged in a hierarchical system with properties that can be explained and measured.

This research was conducted in Indonesia with the object of research for tax consultants registered at the Indonesian Tax Consultants Association (IKPI) North Jakarta. The purpose of this study is to obtain empirical evidence whether ethical, current information and organizational culture influence the ethical decision making of tax consultants.

II. METHODS

This study aimed at examining the influence of ethics, current information, and organizational culture on taking the ethical decision by tax consultants. The population in this study was tax consultants registered at the North Jakarta Indonesian Tax Consultants Association (IKPI). Samples of 41 respondents were taken by using a random sampling technique.

The data was collected using a questionnaire survey. The mail survey was conducted by sending a letter to tax consultants registered at the North Jakarta Indonesian Tax

Consultants Association (IKPI). The questionnaire consisted of 21 statements using a Likert scale of 1 to 5 from strongly disagree to strongly agree.

The analysis used in this study was a quantitative analysis of a set of data that is expressed in the figures as a result of observation or collection. A multiple linear regression model (multiple linear regression method) was used in the analysis. The multiple linear regression model was used to examine the effect of two or more independent variables on the dependent variable with an interval or ratio measurement scale in a linear equation. The process of quantitative analysis was performed using the statistical calculation as follows: Analysis Descriptive Statistics, Classical Assumption Test (normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test), Multiple Regression Analysis, Hypothesis Testing (Test Statistic t and Test Statistic F) and Test The coefficient of determination.

III. RESULTS AND DISCUSSION

A. Analysis Descriptive Statistics

Statistical description relating to the collection and ranking data describing the characteristics of the samples were used in this study. Overall statistics descriptive study variables including minimum value, maximum, average (mean), and standard deviations were as shown below:

1) *Ethics (E)*: The minimum value of Ethics was 16 and a maximum value of Ethics was 30 with a standard deviation of 2.65748.

2) *Current Information (CI)*: The minimum value of Current Information was 18 and a maximum value was 35 with a standard deviation of 4.37482.

3) *Organizational Culture (OC)*: The minimum value of Organizational Culture was 13 and a maximum value of PTA was 23 with a standard deviation of 2.66481.

4) *Ethical Decision (ED)*: The minimum value of Ethical Decision was 10 and a maximum value of PTA was 15 with a standard deviation of 1.51617.

B. Classical Assumption Test

A classical assumption test should be done in this study to test whether the data meets the classical assumptions. This is to avoid biased estimator considering that not all data can apply the regression analysis. This experiment is a normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

C. Normality Test

The normality test aims at analysing whether the regression model of each variable has a normal data distribution. A good regression model is to have a normal distribution of data, or approaching normal. The normality test of data in this test using normal probability plot method (P-Plots) aims at finding out whether the data have a normal distribution or not. The basis for decision making normal probability plots, namely, when the data spread and follow the direction of the diagonal line Skewness using the kurtosis which has the prerequisites to

using the calculation formula, and normality with the Kolmogorov-Smirnov with prerequisite $\text{sig} > 0.05$.

Normality test results using normal analysis of the Kolmogorov-Smirnov test displayed that all variables have a normal distribution. The significance of Kolmogorov-Smirnov amounting to $0.200 > 0.05$, it could be concluded that the data were normally distributed.

D. Multicollinearity Test

A multicollinearity test is a test to correlate between the independent variables. An equation contract the disease when two or more independent variables have a high degree of correlation. A good equation if the equation is said to have independent cross-correlated.

Indicators that can be used in multicollinearity test are:

- Having a VIF (variable PTA Factor) > 10 then the variable has high collinearity.
- Has a tolerance value > 0.10 .

The VIF value of the independent variables was under 10, in which E was 1.132, CI was 1.600 and OC was 1.492. From these results, it could be said that the regression model was free from multicollinearity.

E. Autocorrelation Test

Autocorrelation test is to see whether, in a regression model, the correlation between a period t and the previous period (t-1) occur. The test used to detect the presence or absence of classic assumption deviation autocorrelation is called the Durbin-Watson test (DW test).

The value of Durbin Watson resulting from the regression model was 2.011. So it could be said that the regression model was free of autocorrelation.

F. Heteroscedasticity Test

The heteroscedasticity test carried out in a regression model aims at finding out whether a regression shows the inequality variance of residuals from different observations. One way to detect the presence or absence of heteroscedasticity is by using the Glejser test. This test is done to regresses the residual value of the independent variables with the criteria of significant value > 0.05 .

The significant value of the independent variables was more than 0.05, in which E was 0.936, CI was 0.139 and OC was 0.372. From these results, it could be said that the regression model was free from heteroscedasticity

G. Multiple Linear Regression Model

Analysis of the influence of ethics, current information, and organizational culture on taking the ethical decision by tax consultants could be described by multiple regression analysis. Thus the regression equation could be structured as follows:

$$ED = 6.630 + 0.257 E + 0.057 CI - 0.057 OC + e \quad (1)$$

Equation (1) could be explained as follows:

- The constant value (a) was positive, at 6.630, it was shown that when Ethics, Current Information, and Organizational Culture value was 0, then its Ethical Decisions was positive.
- The regression coefficient of Ethics (E) was positive, at 0.257. It was indicated that if another independent variable value was fixed and E increased 1%, then the ED would be increased by 0.257. The coefficient was positive between E and ED receipts pointing out that the more the value of the Ethics, the Ethics Decision would increase.
- The Current Information (CI) variable regression coefficient had a positive value of 0.057. It was indicated that if another independent variable value was fixed and CI increased by 1%, then the ED (variable Y) should also be increased 0.057. Worth positive coefficient between CI and ED stated that when CI was increasing, ED would also increase.
- The Organizational Culture (OC) variable regression coefficient had a negative value of -0.057. It was indicated that if another independent variable value was fixed and OC increased by 1%, then the ED (variable Y) would be decreased 0.057. Worth negative coefficient of OC indicated that when OC was increasing, ED would be decreased.

H. Significant Individual Test Parameters (T-Statistic Test)

T-statistics test was performed to further investigate which of the three independent variables significantly influence the acceptance of Ethics Decision. The significance value of Ethics was 0.005 which was less than $\alpha = 0.05$. So it could be concluded that there was an influence of the Ethics on Ethical Decision.

The significance value of Current Information was 0.368 which was more than $\alpha = 0.05$. So it could be concluded that there was no significant influence of Organizational Culture on Ethical Decision.

The significance value of Organizational Culture was 0.565 which was more than $\alpha = 0.05$. So it could be concluded that there was no significant influence of Organizational Culture on Ethical Decision.

I. Significant Simultaneous Test (Test Statistic F)

The F-statistic was used to prove the hypothesis that there was a simultaneous influence of ethics, current information, and organizational culture on taking the ethical decision by tax consultants. This testing was done by comparing F calculations with the F table and a significance level of less than 5% (0.05).

F calculation was at 4.136 with a significance of 0.013. From the calculation results, it was indicated that the significance level of less than 0.05 was equal to 0.013. Thus it appeared that there was a simultaneous influence of ethics, current information, and organizational culture on taking the ethical decision by tax consultants.

J. Coefficient of Determination

In the multiple linear regression, it was also analysed the overall magnitude of the coefficient of determination.

It could be seen in the results that the coefficient of determination R Square was 0.251. It explained that the influence of the independent variables together on the dependent variable was 25.1%. So it could be said that 25.1% of the ethical decision resulted from the ethics, current information, and organizational culture.

IV. CONCLUSION

This study provides empirical evidence that ethics influence the ethical decision making of tax consultants, while the current information and organizational culture do not significantly influence the ethical decision making of tax consultants.

This finding confirms that ethics is important for someone who has a profession, with this influence tax consultants must be more responsible for his profession so as not to violate the code of ethics when providing services to his clients and not focus on client satisfaction without considering the true essence is in the law and the professional code of ethics. The results of the study are in line with previous studies.

There are different research results for the current information in relation to the ethical decision making of tax consultants. In this study, current information does not have a significant influence on ethical decisions making by tax consultants. It is possible that tax consultants only need to form strong personality factors in ethical decisions making so that situational factors such as the current information will be controlled if the personality factors are well-formed and strong.

Organizational culture is proven not to have a significant influence on the ethical decision making of tax consultants. This finding confirms that organizational culture does not have an important meaning in ethical decision making by a tax consultant.

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