

Professional commitment as moderating the influence of idealism and experience on ethical decision making of tax consultants at IKPI Malang Branch

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ARTICLE INFO	ABSTRACT
<p>Keywords: Idealism, experience, professional commitment, ethical decisions.</p>	<p>This study aims to examine and analyze: 1) the influence of idealism on ethical decisions, 2) the influence of experience on ethical decisions, 3) professional commitment moderates the relationship of idealism to ethical decisions, 4) professional commitment moderates the influence of experience on ethical decisions. This research was conducted at the Malang Branch of the Indonesian Tax Consultant covering 13 regencies/cities in March – July 2022. The population is 110 employees at the Consultant. The sample was determined by <i>convenience sampling</i>, obtained a sample of 91 respondents. Primary data is obtained by sending questionnaires to respondents through <i>goole form</i>. Once the data is collected, it is analyzed by moderation double linear regression. Before analysis, a classical assumption test is carried out. To test the hypothesis used t-test. The results proved that: 1) idealism affects ethical decisions, 2) experience influences ethical decisions, 3) the interaction of professional commitment with idealism is unable to moderate its influence on ethical decisions , 4) the interaction of professional commitment with experience is able to moderate (weaken) its influence on ethical decisions.</p>

INTRODUCTION

Meanwhile, the tax system in Indonesia has high complexity as seen from the large number of applicable tax regulations and frequent regulatory updates (Fauziati, et al., 2020; Inasius, 2018), This system certainly requires adaptation and adjustment to taxpayers in carrying out their tax obligations (Alaerts, 2020) and the alternative choice of taxpayers is to use the services of tax consultants to provide advice and assistance to taxpayers in various matters related to tax obligations (Sayidah & Assagaf, 2019; Khairannisa & Cheisviyanny, 2019) as well as providing assistance in dealing with complex tax problems (Mangoting, et al., 2019). On the other hand, cooperation between taxpayers and tax consultants can lead to moral and ethical non-compliance due to tax avoidance problems (Doyle, 2022; Nguyen, 2022), tax deposit amount (Amah et al., 2021), and avoid fines or tax penalties (Alhempri et al., 2020). The dilemma faced by tax consultants is when tax consultants have to enforce applicable regulations, but on the other hand, tax consultants think about the reward factors received from taxpayers and the continuity of their service business (Dewi et al., 2021) (Vinayanthi et al., 2020). Therefore, it is necessary to examine factors that can strengthen the ethical decision making of tax consultants, especially from individual factors.

The phenomenon that occurs today is that many taxpayers carry out tax planning practices from normal to aggressive. Based on <https://news.detik.com> there were several cases of tax consultants who violated the code of ethics of the tax consultant profession and were published, among others, in September 2013 a tax consultant from KK, TCK alias Kenny was decided to be a suspect in a case of embezzlement of state money from the tax sector owned by his client company, CV SAN amounting to more than Rp 183 million. Kenny was upgraded to suspect status on September 18, 2013, after being reported by Fransisca in a report numbered LP/1821/V/2013/PMJ on May 30, 2013.

In October 2019, the Directorate General of Taxes handed over a tax consultant with the initials IS to Kejati DKI Jakarta for forging tax invoices of 14 companies. IS cost the state Rp 737 million. Head of Counseling, Services, and Public Relations of Jaksel Regional Office 2 Directorate General of Taxes, Rizaldi, stated that IS operates in Jakarta, Bogor, to Bandung. Rizaldi said that IS took advantage by falsifying tax transactions using original tax invoices. As a tax consultant, IS utilizes the tax invoices obtained and takes advantage of the tax value. According to him, IS has been carrying out this tax misappropriation from January 2015 to December 2017. IS has been detained since late October 2019. In March 2022, the Corruption Eradication Commission (KPK) investigated the income of two tax consultants of PT Gunung Madu Plantations (GMP), Aulia Imran Maghribi and Ryan Ahmad Ronas. They are suspects in a case of alleged bribery related to the audit of tax year 2016 and tax year 2017 at the Directorate General of Taxes. In August 2022, there were two tax consultants, namely Aulia Imran Magribi and Ryan Ahmad Ronas, who were sentenced to 2.5 years and 3.5 years in prison respectively for having been proven to have bribed a number of examining officials at the Directorate General of Taxes worth IDR 13.5 billion to regulate the results of PT Gunung Madu Plantations (GMP) tax calculations for the 2016 tax year.

Harmana et al (2017) in their research stated that idealism has a positive effect on the ethical decisions of registered tax consultants in the Bali-Nusa Tenggara region. This means that the more idealistic the tax consultant, the more ethical the decisions made. In addition, Yassinta's research (2020) states that idealism has a positive effect on Ethical Perception. Meanwhile, in the study of Fitria et al (2014) stated that dealism does not have a significant effect on ethical sensitivity. In addition, Felia's research (2021) states that Idealism does not have a positive effect on the ethical perception of accounting students. Mudassir (2016) stated that having high audit experience is able to make ethical decisions. Meanwhile, Hasnanto's research (2019) proves that experience has no effect on auditors' ethical decision making. In addition, research by Ristiani, Holiawati (2016) proves that experience does not have a significant effect on the ethical sensitivity of auditors. This means there is no link between work experience and ethical decision making.

In particular, high professional commitment should encourage professional service actors to conduct that is in the public interest and away from behavior that endangers the profession (Aranya & Ferris, 1984). In addition, Ristiani's research (2016) proves that professional commitment has a positive and significant influence on the ethical sensitivity of auditors. This means that the higher the commitment of tax consultants to their profession, the more ethical decisions they make. Meanwhile, Kusworo (2018) states that professional commitment has no effect on the ethical considerations of auditors. According to Jogiyanto (2018), if previous studies have different results (there is a gap in research results), then it is suspected that there are other variables that moderate it. Therefore, researchers include the variable of professional commitment as a moderation variable of the relationship of idealism and experience with ethical decisions. Professional commitment is a variable of moderation (professional commitment is interacted with idealism and experience) considering that professional commitment is an important factor in an individual's behavior in a professional context. Individuals who have a high level of professional commitment tend to be better at addressing issues related to conflict between roles and staying focused on work and tend to adhere more to standards and rules set by the profession

Based on this description, the novelty or uniqueness of this study is the existence of a variable of professional commitment as a moderation of the influence of idealism and experience on ethical decision making of tax consultants registered at IKPI Malang Branch. Thus, the purpose of this study is to examine and analyze: 1) the influence of idealism on ethical decisions, 2) the influence of experience on ethical decisions, 3) professional commitment moderates the influence of idealism on ethical decisions, 4) professional commitment moderates the influence of experience on ethical decisions.

Ethical Decision Making

An ethical decision is a decision that is both legally and morally acceptable to the wider community (Trevino, 1986; Jones, 1991). Jones (1991) revealed that there are 3 main elements in ethical decision making, namely: 1) moral issues, stating the extent to which a person performs behavior, if he freely performs the behavior, it will result in harm or benefit for others. In other words, it is that an action or decision taken will have consequences for others. 2) A moral agent is a person who makes moral decisions even though he or she may not recognize the moral issue. 3) ethical decision, is a decision that is legally or morally acceptable to the wider community (Trevino, 1986; Jones, 1991). The ability to identify and perform tis or unethical behavior is an underlying thing in the consulting profession. So that it becomes the obligation and responsibility of the consultant itself for the ethical decisions taken.

Idealisme

High idealism recognizes the moral absolute that hurting others is universally wrong and that it is not permissible to do anything that harms others. An idealist optimistically assumes that the desired result occurs by performing actions according to morals. Conversely, a person with low idealism assumes that every action performed morally does not always produce the desired result. Therefore they may commit actions that harm others in order to obtain the greater good (Umaira & Adnan, 2019). Given their concern for others, idealists are more likely to judge unethical actions critically and more cautious of unethical behavior to protect others (Umaira & Adnan, 2019).

Experience

Experience is an event that is captured by the five senses and then stored in memory. Experience can be obtained from events that have been passed by someone. Experience can also be shared with others and can be a learning and guideline for others (Miwasari, 2019). Experience is something that has been experienced, felt and lived, both long ago and recently happened (Saparwati, 2012). Experience can also be defined as episodic memory, that is, memory that receives and stores events that occur or are experienced by individuals at a certain time and place, which serves as an autobiographical reference (Saparwati, 2012).

Professional Commitment

Professional commitment is the process by which individuals identify themselves with the values, rules and goals of their profession. Professional commitment is also defined as a perception that is core to a person's loyalty, determination and expectations guided by a value system or norm that will direct the person to act or work according to certain procedures in an effort to carry out their duties with a high success rate (Pane & Fatmawati (2017). According to (Wirakusuma, 2019) Professional commitment is a form of support or positive attitude towards a profession in maintaining the reputation of the profession. Professional commitment is described as an involvement and a strong relationship between individuals and their profession (Yudhistira, 2016).

Hypothesis 1: idealism has a positive effect on the ethical decisions of tax consultants. This hypothesis is built from the research of Harmana, et al (2017), (Wirakusuma, 2019) and (Alfitriani et al., 2021) prove that idealism has a positive influence on ethical decisions. The better the idealism of the tax consultant, the more ethical the decisions he makes.

Hypothesis 2: experience positively influences the ethical decisions of tax consultants. This hypothesis is built from the research of Harmana, et al (2017), Paramita, S. (2020) and Putra (2021) to suggest that experience has a positive effect on ethical decisions. The better the tax consultant's experience, the more ethical the decision he makes.

Hypothesis 3: professional commitment moderates the influence of idealism on ethical decisions built from (van den Boogaard et al., 2009) In its findings, explaining the high dedication of tax consultants to always adhere to ethical and moral principles in every aspect of their work, will encourage them to remain consistent in providing honest, transparent, and in accordance with applicable tax regulations. Furthermore, Mustafa, et al. (2023) explained that the willingness of tax consultants to help clients directly can encourage maximum work attitudes and help clients achieve financial goals in accordance with statutory provisions and avoid actions that harm clients for personal gain. Isnaeni & Rahayu (2023) explained about professional commitment to be a driver for tax consultants to increase awareness and understanding of ethical principles relevant to his work (Xu & Dellaportas, 2021). They will always think about the ethical implications of their decisions and strive to act in accordance with the ethical values they hold dear (Isnaeni & Rahayu, 2023).

Hypothesis 4: professional commitment moderating the influence of experience on ethical decisions is built from his research (Vinayanthi et al., 2020) that the amount of professional commitment shown by tax consultants based on the work experience they have will be useful in solving the tax problems they face. Stewart & Conor (2007) found that experience has a significant effect on ethical dilemmas in ethical decision making.

METHOD

This research uses an explanatory research approach, conducted at the Malang Branch of the Indonesian Tax Consultant covering 13 regencies/cities in March – July 2022. The population is 110 employees at the Consultant. The sample was determined by convenience sampling, obtained a sample of 91 respondents. Primary data is obtained by sending questionnaires to respondents through goole form. Once the data is collected, it is analyzed using moderation double linear regression. Before analysis, a classical assumption test is carried out.

RESULTS AND DISCUSSION

The test results of calcic assumptions: multicollinearity, heteroscedasticity, and normality of results are all non-violating. Furthermore, the results of the hypothesis test using test-1 are summarized in the following table 1:

Table 1: Summary of Moderation Regression Analysis

Information	Regression coefficient	<i>p-value</i>	Conclusion
x1= idealism	0.371	0.000 < 5%	Hypothesis-1 Accepted
x2= experience	0.559	0.000 < 5%	Hypothesis-2 accepted
x1*x3= interaction of x1 with x3	-0.011	0.198 > 5%	Hypothesis-3 rejected
x2*x3= interaction of x2 with x3	-0.015	0.021 < 5%	Hypothesis-4 accepted

Source: primary data processed by researchers in 2023

Discussion

Idealism Has a Significant Positive Effect on Ethical Decisions

The results of this study prove that idealism has a positive and significant effect on the ethical decisions of tax consultants registered at IKPI Malang Branch. The results of this study support the results of the research of Harmana, et al (2017), (Alfitriani et al., 2021), (Yetmar & Eastman, 2000) which reveals that the high idealism shown by tax consultants will greatly affect the work of a tax consultant in making ethical decisions. In the context of this study, the high work attitude shown by tax consultants is reflected through the principles of work ethics and responsible attitudes in providing services to their clients.

Idealistic tax consultants have the principle that prioritizing personal interests above client interests is something that should be avoided and can lead to actions that can lead to behavior that has negative consequences (Sakurai & Braithwaite, 2003; (Vinayanthi et al., 2020). This research is also in line with the research of Syabilla et al. (2021) which states that idealism has a positive and significant influence on ethical perceptions. In general, the results of this study show that tax consultants who have high idealism, tend to make increasingly ethical decisions. Thus, idealism should be maintained by tax consultants in making the right decisions when facing ethical dilemmas.

Experience Has a Significant Positive Effect on Ethical Decisions

The results of this study prove that experience has a positive and significant effect on auditing the ethical decisions of tax consultants registered at IKPI Malang Branch. The results of this study support the results of research by Harmana et al (2017), Paramita (2020), Putra (2021), Misra, et al., 2020; (Wiguna & Yadnyana, 2019) which explains that the work experience possessed by tax consultants will support their performance in making tax decisions that are in accordance with ethics and responsibility. This research reveals the extensive work experience possessed by tax consultants will greatly assist them in conducting assessments and understanding of taxation aspects and this allows tax consultants to take wiser, transparent, and responsible decisions for the benefit of clients and society as a whole (Sebele-Mpofu, 2020), which proves that experience positively influences ethical decision making. This means that experience has a positive effect on ethical decisions, or the longer the work experience of a tax consultant, the more ethical the decision will be, then the second hypothesis (H2) in this study is accepted.

According to Notoatmojo (2012) everyone has different experiences even though they see the same object, this is influenced by: the level of knowledge of a person, the perceived object factor and the situation factor when the experience occurs. Experience based on length of work is the experience of a tax consultant calculated based on units of time / year. So that tax consultants who have long worked as tax consultants can be said to be experienced tax consultants. Because the longer you work as a tax consultant, you will be able to increase and expand the knowledge of tax consultants. In general, the results of this study suggest that tax consultants who are more experienced will tend to make increasingly ethical decisions. Thus, experience development should be maintained by tax consultants in making the right decisions when faced with ethical dilemmas.

The Interaction of Professional Commitment with Idealism Is Incapable of Moderating Its Influence on Ethical Decisions

The results of this study suggest that professional commitment cannot moderate the influence of idealism on ethical decisions. These results suggest that the third hypothesis is rejected because professional commitment is unable to moderate the influence of idealism on ethical decisions. Professional commitment and belief in the ethical values of a tax consultant are two things that should support and complement each other, but in the context of this study this did not find the same influence. In this study there are several things that might explain why this

can happen, namely: One, tax consultants often deal with various clients with different interests. In some cases, a client's interests may conflict with a person's ethical values. A professional commitment to providing the best service to clients can make it difficult for someone to deal with ethical conflicts that may arise (Weiss-Gal et al., 2023). Some companies or organizations may have policies or practices that are not fully in line with a person's ethical values. Professional commitment can encourage someone to keep working under the company, even if they don't fully agree with the policies or practices.

The lack of professional commitment to the ethical judgment of the tax consultant indicates that although the tax consultant has a strong level of professional commitment, it cannot guarantee that the auditor also has a good level of ethical consideration. These results are in line with a study conducted by Gustini (2016) which found that professional commitment had no significant effect on ethical considerations. In addition, these results are also in line with studies conducted by (Christian & Susanto, 2021) which found that professional commitment had no effect on ethical decision-making by tax consultants. This may be due to the lack of role of professional organizations in providing respondents with opportunities to develop themselves through trainings and discussion forums, so respondents do not consider professional commitment as important. In general, the results of this study show that the professional commitment of a tax consultant neither strengthens nor weakens idealism in ethical decision making.

The Interaction of Professional Commitment with Experience Able to Moderate/Strengthen Its Influence on Ethical Decisions

The test results show that professional commitment is able to moderate the influence of experience on ethical decisions. The research also shows that professional commitment can weaken the influence of experience on ethical decisions. The higher the level of professional commitment of a tax consultant can weaken the influence of the tax consultant's experience on ethical decisions.

The combination of professional commitment and relevant work experience can play an important role in strengthening the ethical attitude of a tax consultant (Onumah, et al., 2021). Tax consultants who are professionally committed and demonstrate ethical values in their work will be better able to provide high-quality services to clients and maintain integrity in their tax practices (Lokanan, 2023;). However, professional commitment weakens the relationship of experience to ethical decision-making of tax consultants, perhaps because a competitive and high-results-oriented work environment can put pressure on tax consultants to achieve specific targets or performance.

In these situations, professional commitment can be marginalized by pressure to achieve desired results, which can lead to a decline in ethical decision-making. In general, the results of this study show that tax consultants who have high professional commitment are able to weaken the influence of experience on ethical decisions. This is because even though a person has long work experience but with high professional commitment makes the influence of experience on ethical decisions reduced.

CONCLUSION

The results of the study concluded that: first, idealism affects ethical decisions, second, experience influences ethical decisions, third, the interaction of professional commitment with idealism is unable to moderate its influence on ethical decisions, fourth the interaction of professional commitment with experience is able to moderate (weaken) its influence on ethical decisions. It is recommended for tax consultants registered at the Malang branch of IKPI, in making ethical decisions should pay attention to the variables that influence it, among others, idealism, experience and professionalism. For further researchers, it is recommended to replace or add variables that influence ethical decisions, so that the results can broaden the horizons of science, especially related to ethical decisions.

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