

# Accounting Unethical Behaviours Still Rampant

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Unethical behavior in the accounting field has increased, not only in the developing countries but also in the developed countries. Corporate scandals that destroyed Enron, Worldcom, and other large companies are responded by business schools by submitting various proposals for accounting reformation. They rely on the views regarding the inadequacy of accounting and business education curriculum to prevent unethical behavior.

"One of the point of view says that what should be done by business schools is not creating a new course, but stop teaching a number of old courses that motivate unethical practices," Bogat Agus Riyono, MSA., Ak., said at his open doctoral exam, Friday (22/7) at the Faculty of Economics and Business UGM.

In his dissertation, lecturer at the Faculty of Economics and Business, Brawijaya University, is testing the effect of cognitive moral development, exposure of management theory, and shame threat to ethical decision making in accounting.

To this date, Corporate Governance literature has continued to debate the association between situational variables, such as the legal system, reward system, tax rates, and the concentration of ownership to explain the factors that influence unethical behavior. However, according to the man,



the studies did not acknowledge that an unethical action is a form of human behavior. In fact, the legal system as well as tax rates and reward systems, are products of human creation, so research that includes the variables of human behavior needs to be done.

Through the experiment, it is found that the cognitive moral development influences ethical decision making, while exposure of management theory and shame threat influence ethical decision making. In conclusion, managers who are exposed to the agency theory have a tendency to take an unethical decision.

"This study shows how dangerous exposure to X' theories is, especially those who have low levels of cognitive moral development. Since the number of subjects with lower cognitivemoral development is very dominant (59%), this should lead to the Higher Education Institution to reconstitute their curriculum to not teach theories that are categorized as X' theory anymore', "he explained. In addition, this study shows how important the threat of punishment for ethical decision-making. Therefore, the punishment of unethical behavior has to be arranged as such so it does not only constitute revocation of the academic titles for plagiarism, for example, but also for widespread unethical action, i.e. corruption.

"The new graduates should be required to sign an integrity pact that they will keep their personal and university's dignity and are willing for their academic titles be revoked when found guilty of unethical actions," he concluded.

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