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Comparing ethical environments: Accountants in Indonesia

SeTin SeTin[1+]
Lidya Agustina[2]
Meythi Meythi[3]

[1,2,3]*Faculty of Business, Maranatha Christian University, West Java, Indonesia.*
[1]*Email: se.tin@eco.maranatha.edu*
[2]*Email: lidya.agustina@eco.maranatha.edu*
[3]*Email: meythi@eco.maranatha.edu*

(+ Corresponding author)

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ABSTRACT

This study aims to compare the ethical environment perceptions between accountants working in public companies and accountants working in private companies. The organization has experienced a decline in ethical values due to numerous accounting scandals and dysfunctional behavior. The institutional logic theory is used as a framework. The data was collected using questionnaires from 768 accountants working in public companies, private companies, and universities in Indonesia. The questions encompass three main factors, namely social norms, social practices, and outcomes. Hypothesis testing was conducted based on the mean values, standard deviations, and regression analysis. The correlation between variables was assessed using the Pearson product moment and spearman methods. The study results indicate that accountants working in public companies perceive the ethical environment to be stronger than accountants working in private companies. This study holds significant social and economic relevance. Assessing the ethical environment of both private and public companies aids stakeholders in developing governance policies that can reduce the potential for accounting scandals and enhance public trust. The study provides important insights into the ethical environment of accountants across the accounting profession. The study's findings are perception-based and may not always reflect actual ethical practices. Several suggestions for future research are outlined in this paper.

Contribution/Originality: There are limited studies available that assess the ethical environment, and there has not even been a study that evaluates accountants' perceptions of the ethical environment in private and public companies in Indonesia. Studying the ethical environment's impact on behavior is crucial to bridge literature gaps and signal effective supervision.

1. INTRODUCTION

The decline in ethical values has occurred in all professions of accounting (Suddaby, Gendron, & Lam, 2009). The facts indicate that many accounting scandals, such as those involving Enron, Worldcom, and Toshiba, involving public accountants took place at the turn of the 21st century (Bobek, Dalton, Daugherty, Hageman, & Radtke, 2017), and accounting educators have been most blamed for them, as ethical learning was believed to commence in universities (Baker, 1976). In the field of management accounting, various unethical behaviors in budgeting have also occurred in different parts of the world, such as in Taiwan (Huang & Chen, 2010), the Netherlands (Hartmann & Maas, 2010), Indonesia (SeTin, Sembel, & Agustine, 2019), Canada, and the United States (Davis, DeZoort, & Kopp, 2006). Besides ethical deviations in budgeting, management accounting literature is also filled with reports that management accountants manipulate performance indicators, strategically manipulate information, and counterfeit information (Birnberg, Luft, & Shields, 2006). The scandal over unethical practices has devastated the company and caused the public to lose trust in accountants. This unethical behavior reflects a serious decline in ethical values and the ethical environment within the accounting profession (Suddaby et al., 2009). This study explores the ethical environment for accountants in both public and private companies. Understanding the ethical environment is crucial because it can prevent various dysfunctional practices within the organization.

The ethical environment refers to the conditions in which organizations practice high moral and ethical standards with honest, fair, and responsible interactions while avoiding ethical violations (Bobek et al., 2017). Due to the limited empirical research on how accountants perceive the ethical environment in their workplace, this study explores the ethical environment across all accountant professions. In the face of challenges in improving ethics in both private and public institutions, this study compares the perceptions of the ethical environment among accountants working in public companies with those working in private companies. The profession of accountants greatly needs to gain an understanding of ethical environmental perceptions, as accountants play a key role in upholding integrity and trust in business practices. There are several explanations for the significance of accountants in comprehending ethical environment perception. First, ethical environment perceptions influence ethical behavior (Lu & Lin, 2014; Sweeney, Arnold, & Pierce, 2010) and imply monitoring and control (Lander, Koene, & Linssen, 2013), for instance, helping accountants avoid financial reporting scandals and budgetary gaming behaviors, concealing important information, and even assisting accountants in providing ethical advice to clients or superiors. Second, ethical environment perceptions influence perceptions of reality, which in turn impact job attitudes and employee outcomes such as commitment and turnover intentions (Ozgur & Akdogan, 2015). Third, ethical environment perceptions have the potential to be enhanced (Shafer, 2015), for example, by aiding accountants in adhering to ethical codes, regulations, and laws, as well as helping accountants identify potential ethical risks and take anticipatory measures. This study utilizes the Institutional Logics of Commercialism and Professionalism Theory as a relevant framework for explaining the differences in ethical environment perceptions between public and private companies. Different institutional logics can influence the behavior and how organizations handle business ethics issues. The institutional logic of commercialism focuses on profitability, efficiency, and achieving strong financial results (Hanlon, 1996; Suddaby et al., 2009), and private companies are more oriented or dominated by commercialism (Gendron & Spira, 2010; Kornberger, Justesen, & Mouritsen, 2011). The institutional logic of professionalism emphasizes meeting strict ethical standards and professionalism in protecting the public interest, making decisions, and conducting organizational practices (Hanlon, 1996; Suddaby et al., 2009). Public companies may be more influenced by professionalism institutions, such as strict ethical codes in conducting ethical business practices. The shift from professional ideals to commercialism can create incentives for the emergence of dysfunctional behavior (Elias, 2004; Gendron & Spira, 2010). Accountants face pressures and institutional regulations that can shape the ethical environment in which they operate (Bobek et al., 2017).

This study argues that accountants working in public companies will experience a stronger ethical environment compared to accountants working in private companies. This study is important because it provides stakeholders with an understanding that ethical environments can vary within private and public organizations, and this understanding is useful for assessing the relative risks of organizations and enhancing the ethical environment of various accounting professions. This study contributes, first, by making a significant contribution to the literature on the ethical environment, showing that there are varying perceptions of the ethical environment based on the organizational context, and the study results indicate the relative strength of the ethical environment in private and public companies. Second, organizations need to place more emphasis on the development and enhancement of the ethical environment. Third, it directs leaders and stakeholders to realize that the ethical environment in private organizations is significantly weaker than the ethical environment in public companies.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Factors Influencing the Ethical Environment

The ethical environment is a crucial part of the organizational culture that plays a significant role in promoting ethical decision-making (Bobek et al., 2017). There are three factors influencing the ethical environment and impacting behavior within the organization (Booth & Schulz, 2004). First, social norms encompass mission and value clarity, management influence, leadership, and peer groups. Clarity in mission and values has the potential to create shared beliefs that can strengthen ethical decision-making. In addition to mission and values, the ethical behavior and decision-making of a leader set an example for employees and reinforce the development of ethics within the organization. Group norm have an impact on employees' ethical behavior as well. Ethical groups can encourage employees with low moral reasoning to act ethically, while unethical groups can encourage employees with high moral reasoning to act unethically (Ford & Richardson, 1994). Second, social practices, the existence of an ethical code with clear sanctions, procedures, and rules enhance the perception that the organization cares and supports ethical behavior (Ford & Richardson, 1994). Ethical training emphasizing concrete and consistent practices encourages ethical decision-making. Third, outcomes are in the form of rewards and punishments. The prevalence of unethical behavior is in line with the presence of rewards and punishment threats. Social and public punishments are more effective than personal ones (Barker, 1993). In summary, a strong ethical environment depends on the presence of social norms, social practices, and outcomes that facilitate ethical decision-making.

2.2. The Relationship between the Ethical Environment and Ethical Decisions, Ethical Behavior and Outcomes

Various recent research studies have increasingly confirmed that ethical environment perceptions are positively related to ethical decision-making and behavior. For instance, Gullifor, Petrenko, Chandler, Quade, and Rouba (2023) found that ethical environment perceptions enhance organizational citizenship behavior and performance. Halbusi, Ruiz-Palomino, and Williams (2023) explained that ethical leadership has a positive influence on moral behavior, which is even more pronounced when employees possess higher moral values and self-control. Bag et al. (2023) discovered that in uncertain times, such as during the COVID-19 pandemic, non-regular suppliers with high ethical perceptions are willing to share strategic resources. Cheffi, Zahir-ul-Hassan, Farooq, Baqrain, and Mansour (2023) identified a positive impact of ethical leadership on circular economy practices. Valentine and Godkin (2019) clarified that ethical perceptions and assessments are positively correlated with whistleblowing. Agarwal, Gupta, and Cooke (2022) demonstrated that ethical leadership reduces knowledge-hiding behaviors and strengthens employee well-being. Several years earlier, Mayer, Kuenzi, and Greenbaum (2010) found that ethical environment perceptions decreased violations of rules, such as intentionally bending or breaking regulations and damaging property.

In the field of accounting, Seifert, LaMothe, and Schmitt (2023) conducted a survey of 378 CPAs in the USA and found that the effectiveness of ethical infrastructure in the accounting workplace influences perceptions of ethical culture and professional ethical judgments of accountants. Hirth-Goebel and Weißenberger (2019) conducted a survey of 90 international accountants and found that the ethical environment significantly affects accountants' decisions to refrain from engaging in ethically questionable behavior. Shafer (2015) found that perceptions of organizational ethical culture have an impact on earnings management decisions among professional accountants working in the private sector in Hong Kong. Sweeney et al. (2010) found that the perception of ethical environment is negatively related to auditors' intentions to engage in dysfunctional audit behavior. Dalton, Cohen, Harp, and McMillan (2014) found that a strong perception of an ethical environment influences auditors' perceptions of organizational fairness, is positively related to pro-social behavior, and is negatively related to turnover intentions. In summary, prior studies have found that the perception of an ethical environment is positively associated with ethical assessments, ethical decisions, and employee outcomes.

2.3. Comparison of Ethical Perceptions of Accountants in Various Institutions

Several previous studies have compared the ethical perceptions of accountants in different institutions. In a survey of 147 accounting educators in Indonesia, SeTin, Setiawan, and Debbianita (2022) found that those in Public and Accredited A Universities perceive the ethical environment significantly more strongly than their counterparts in Private and Accredited B Universities. Bobek et al. (2017) investigated the ethical perceptions of certified public accountants (CPAs) in both public accounting firms and industry, and revealing that CPAs in public accounting firms perceive the ethical environment significantly more strongly than those in the industry. Elias (2004) presented evidence that CPAs in organizations with high ethical standards would view earnings management practices as unethical, while CPAs in organizations with low ethical standards would consider such practices as ethical.

2.4. The Institutional Logic of Commercialism and Professionalism

Individuals within an organization make decisions based on logic (Gendron, 2002), and institutional logic provides a framework for all accounting professions to predict ethical environmental differences (Suddaby et al., 2009). This study uses an institutional logic perspective to investigate the differences in ethical environment perceptions among accountants in public and private organizations. Institutional logic refers to a set of rules, norms, values, and beliefs that influence individual behavior and organizational business practices (Thornton, 2004). Institutional logic can be used to explain why organizations have specific ways of making decisions, interacting, and/or responding to environmental changes.

The concept of institutional logics, which includes commercialism and professionalism (Gendron, 2002), has evolved through contributions from research in various disciplines. Commercialism and professionalism are two logics that have the potential to be highly conflicting and exert a significant influence on the accounting profession (Lounsbury, 2008). Commercialism institutions are more short-term focused, characterized by the pursuit of profit and high financial performance (Hanlon, 1996), while professionalism institutions are more long-term oriented, prioritizing public interests and emphasizing technical competence (Gendron, 2002; Suddaby et al., 2009).

Decision-making and unethical behavior are associated with individuals who have a "love for money" (Chen, Tang, & Tang, 2014; Singhapakdi, Vitell, Lee, Nisius, & Yu, 2013). In an organizational context, it is also found that more commercially-oriented organizations, with a culture of short-term profit maximization, are linked to a weak ethical environment. Jondle, Ardichvili, and Mitchell (2014) found that companies focused on maximizing profits tend to have less effective ethical leadership, less internalization of ethical values, and treat stakeholders less ethically. Campbell and Göritz (2014) explain that highly commercial organizations tend to "justify any means" and are prone to corruption and ethical violations. In the context of accountants, previous studies also indicate that commercialism is responsible for deviations and a decline in ethical values. Greed and commercialism lead to ethical judgment deviations in many accounting offices (Wyatt, 2004).

The differences in institutional environments influence ethical principles (Victor & Cullen, 1988), as they perceive ethical situations differently and make different ethical judgments. To guide predictions about ethical environment differences within institutions, this study distinguishes between private and public institutions. Ethical perceptions and ethical judgments tend to differ in private companies and public organizations (Wittmer, 2000). Public institutions place more emphasis on compliance rules than private organizations because public institutions face challenges in measuring contributions and achieving social goals, thus encouraging higher ethical standards (Victor & Cullen, 1988). Public companies may be more influenced by professional institutions, such as strict ethical codes, which might provide accountants with an incentive to conduct ethical business practices.

Private companies are more focused on commercial institutions, with a strong emphasis on achieving profit and high financial performance. This can influence accountants when dealing with ethical issues. Some research findings that support this argument are as follows: Bommer, Gratto, Gravander, and Tuttle (1987), explained that private companies are focused on short-term profits, which encourages egoism and leads to an organizational climate and behavior that is less ethical. Richards (2011) found that managers in private companies face more pressure to compromise ethical standards compared to managers in public companies. In private companies, managers often resolve conflicts for the sake of profit rather than considering ethics (Vitell & Festervand, 1987) while public organizations are more oriented towards non-profit motives and adhere to higher ethical standards. In addition to the institutional logic underlying arguments concerning accountants' differing perceptions of ethical environments in private and public institutions, there is another line of reasoning. Firstly, public companies have diverse shareholders, which may exert greater pressure to report performance transparently and ethically. Secondly, public companies often face stricter regulations and legal obligations regarding financial reporting and business ethics. Thirdly, public companies have obligations to the general public, and accountants may feel a greater social responsibility and greater pressure to ensure ethical business practices. Fourthly, public companies often have a larger public reputation to uphold, and this reputation is highly susceptible to unethical behavior. Accountants may be more inclined to prioritize ethical business practices to maintain the company's reputation. Considering previous study findings and arguments that private organizations tend to lean more towards commercial values than public organizations, as well as the argument that public organizations have a greater responsibility to the public, this study hypothesizes that:

H_1. Accountants working in public companies will perceive stronger ethical environments than accountants working in private companies.

3. METHODOLOGY

3.1. Data Sources

The data for this research consists of accountants working in public companies, private companies, and universities in Indonesia. Some of the data comes from a previously published study, namely SeTin et al. (2022), which includes 147 educator accountants. Additionally, new data was collected, which amounted to 621 cases. In total, there were 768 pieces of data being analyzed. The data was collected using a questionnaire from five major islands in Indonesia, namely Java, Kalimantan, Sulawesi, Sumatra, and Papua.

3.2. Measurements

A total of 12 items from Bobek and Radtke (2007) were utilized to measure the ethical environment. These questions encompass three primary factors, namely social norms, social practices, and outcomes. The social norms factor comprises three elements, each with two related questions, encompassing values and mission, management and leadership influence, as well as peer influence. The social practices factor includes two elements, each with two related questions, covering ethical codes, rules and procedures, and ethical training. The outcomes factor is associated with sanctions and rewards and comprises two questions. Respondents assess the ethical environment in their workplace by indicating their agreement with each statement on a seven-point Likert scale, ranging from Point 1 (strongly disagree) to Point 7 (strongly agree). The score range is from 12 to 84, with higher scores indicating a stronger perception of an ethical environment.

3.3. Statistical Analysis

Correlations between variables were examined using the Pearson product-moment and Spearman analysis tools. This method was also used by Bobek et al. (2017), with a sample of only public accountants in America. The current study covers the accounting profession comprehensively, namely accountants in private and public companies and universities. Due to the different environments faced in industry, public accounting, and academia, each group of respondents was treated separately. To formally test the hypothesis, this study also conducts regression analysis with age, gender, and working period as control variables.

4. RESULTS AND DISCUSSIONS

4.1. Descriptive Statistics

Table 1 presents the profile of the respondents. The majority of the respondents were male (55.7%), while the remaining respondents were female (44.3%), with an age range of 31-49 years (82%) and more than 9 years of work experience (67.1%). Among them, 41.1% worked as accountants in public companies and public accounting firms, 39.8% worked as accountants in private companies and consulting firms, and 19.1% were accounting educators. Most of the respondents came from service-oriented companies (64.7%), were located on Java Island (58.1%), and had a workforce of 501-1000 employees (56.9%).

Table 1. Profile of respondents.

Demographic factors	Categories	Frequencies	Percentages
Gender	Male	428	55.70%
	Female	340	44.30%
Age	30 years or under	106	13.80%
	31-39 years	327	42.60%
	40-49 years	303	39.40%
	50-59 years	26	3.40%
	over 59 years	6	0.80%
Current employment	Public company	316	41.10%
	Private company	305	39.80%
	Academia	147	19.10%
Types of business	Service business	497	64.70%
	Merchandising business	101	13.10%
	Manufacturing business	161	21.00%
	Special industry	9	1.20%
Year experience	2 years or under	4	0.50%
	3-5 years	79	10.30%
	6-8 years	170	22.10%
	9-11 years	252	32.80%
	over 11 years	263	34.30%
Company size	100 employees or under	94	12.30%
	101 – 500 employees	120	15.60%
	501 – 1000 employees	438	56.90%
	1001 – 2000 employees	61	8.00%
	2001 – 5000 employees	25	3.29%
	5001 – 10.000 employees	27	3.50%
	Over 10.000 employees	3	0.41%
Company domicile	Java	446	58.10%
	Sumatera	142	18.50%
	Kalimantan	99	12.90%
	Sulawesi	14	1.80%
	Papua	67	8.70%

Note: Public company (Go Public companies and public accounting firm); Private company (Consulting firm and companies that are not go public companies).

In the "public company" column, it contains responses from accountants working in public companies, including public accountants. In the "private company" column, it encompasses responses from accountants working outside of public companies, including consulting firms. The "academia" column contains responses from accounting educators in both public and private universities. The ethical environment is measured using 12 questions on a seven-point scale, ranging from a score of 1 (strongly disagree) to a score of 7 (strongly agree). The potential score for the ethical environment falls within the range of 12 to 84. A higher score indicates a perceived stronger ethical environment.

Table 2. Comparative scale of ethical environment.

Total **n = 768**	**Accountants in public company (n = 316)**	**Accountants in private company (n = 305)**	**Accountants in academia (n = 147)**
Ethical environment parameters			
Social / Cultural norms factors			
a. Mission, values	13.31*** -1.41	12.01 -2.34	13.28*** -1.86
b. Impact of leadership and management	13.17*** -1.42	11.35 -1.99	13.32*** -1.65
c. Peer group pressure	12.86*** -1.58	11.85 -1.83	12.57** -1.49
Social practices factors (Societal customs)			
a. Procedural standards, rules and ethical codes	13.48*** -1.07	12.14 -1.97	13.50*** -1.44
b. Training of ethics	12.94*** -1.71	10.57 -3.57	12.16*** -2.57
Outcomes factors			
a. Incentives, penalties	11.03*** -2.21	9.88 -2.12	9.13** -2.18

Note: *** Shows that the significance value of the ethical environment in public companies is higher than in private companies at p <0.01.** Shows that the significance value of the ethical environment in public companies is higher than in private companies at p <0.05.

4.2. Comparison of Ethical Environment Scales of Public Versus Private Companies

Table 2 presents the average values and standard deviations of ethical environments in public companies, private companies, and higher education institutions. Based on the responses of a total of 768 participants, the mean value and standard deviation are 74.93 (7.81). Specifically, the responses of 316 accountants in public companies regarding the ethical environment indicate a mean value (standard deviation) of 76.79 (7.12), while the responses of 305 accountants in private companies show a mean value (standard deviation) of 67.80 (11.17). Furthermore, this study also reveals the mean value (standard deviation) of the ethical environment in higher education institutions based on the responses of 147 educator accountants, which is 74.60 (7.58). These findings indicate that accountants in public companies (mean 76.79) perceive a significantly stronger ethical environment ($p < 0.01$) compared to accountants in private companies. The results also show that educational accountants (mean 74.60) perceive a more robust ethical environment than accountants in private companies.

This result supports the hypothesis that accountants in public companies assess their ethical environment significantly more strongly than accountants in private companies. Although accountants in both groups, on average, express agreement with most ethical environment items, those working in public companies agree more strongly compared to accountants working in private companies. Therefore, while accountants in private companies generally perceive their ethical environment as relatively strong, it appears that there is more emphasis on the ethical environment in public companies compared to private companies. The study also shows a high level of reliability, with a Cronbach's alpha value of 0.807 for the ethical environment.

Table 2 also indicates in which factors there are differences in ethical environment perceptions in public companies, private companies, and higher education environments. The results are shown through the average values of each ethical environment factor (a total of 6 factors, each with two questions). These six ethical environment factors are grouped into three categories: social norms, social practices, and outcomes. The social norms factor includes mission and values, leadership and management influence, and peer group influence. The social practices factor includes rules, ethical codes, procedures, and ethics training. The outcome factor encompasses sanctions and rewards. Accountants working in public companies rate each element of the ethical environment as stronger compared to accountants working in private companies and in university settings ($p<0.01$). The results indicate that in both public and private companies, as well as in university environments, the aspect of the ethical environment with the highest average score is social factors (rules, procedures, and codes of ethics), while the aspect with the lowest average score is outcome factors (incentives and penalties).

The Pearson Product Moment correlation coefficient values are displayed along the bottom diagonal, and the Spearman Rank correlation values are shown along the upper diagonal. The p-value is presented below the correlation coefficient values. Ethical environment perception is assessed using 12 questionnaire items on a seven-point scale, ranging from 1 (strongly disagree) to 7 (strongly agree). The ethical environment score ranges from 12 to 84. Higher scores indicate that accountants perceive a stronger ethical environment. For the gender measurement scale, 0 represents male, and 1 represents female. Regarding the age measurement scale, 0 corresponds to 30 years or under; 1 to 31-39 years; 2 to 40-49 years; 3 to 50-59 years, and 4 to over 59 years. In the current employment measurement scale, 1 denotes accountants in public companies, including public accounting firms, and 0 denotes accountants in private companies, including consulting firms.

Table 3. Pearson product moment and rank spearman correlation coefficients (n = 768).

Ethical environment and demographics	Ethical environment	Age	Gender	Working period	Current employment
Ethical environment	1	-0.019 0.609	-0.067 0.056	-0.019 0.592	0.315 <0.000
Age	-0.019 0.604	1	-0.188 <0.000	-0.020 <0.000	-0.263 <0.000
Gender	-0.106 0.001	-0.184 <0.000	1	-0.021 0.016	-0.081 0.018
Working period	-0.020 0.591	-0.022 <0.000	-0.021 0.016	1	-0.077 0.017
Current employment	0.334 <0.000	-0.271 <0.000	-0.081 0.018	-0.077 0.017	1

Table 3 illustrates the correlation between variables. The results indicate that accountants working in public companies perceive an ethical environment significantly stronger than accountants in private companies, with a Pearson correlation coefficient (r) of 0.334; $p < 0.000$. Furthermore, gender has a negative correlation ($r = -0.106$; $p = 0.001$) with the ethical environment scale, indicating that women perceive a significantly lower ethical environment compared to men.

4.3. Supplemental Analysis

Ethical Environment evaluations between public and private companies through regression analysis (n = 768). Regression testing was performed by controlling for variables such as age, gender, and length of employment. Table 4 shows that the dummy variable for current employment (public or private) has a positive and significant value, indicating that accountants in public companies perceive a stronger ethical environment compared to accountants working in private companies. These results provide support for the hypothesis, as also indicated in Table 2, and support the study by Wittmer in 2000, which suggests that individuals' perceptions and evaluations of ethics tend to differ in private and public companies.

Table 4. Regression analysis.

Public company and private company		
Factors	**Coefficient estimate**	**t-value**
Intercept	68.54	57.63*
Public /Private	6.79	7.82*
Age	0.15	1.36
Gender	-1.34	-2.02
Working period	0.27	1.48
R square	0.0689	
F value	20.76*	

Note: * Indicates p-value <0.0001.

This study also reinforces the findings of Suddaby et al. (2009) that institutional logic can serve as a framework for accountants in predicting the ethical environment. The study's results, which indicate that public companies perceive a stronger ethical environment than private companies, support the notion that public companies emphasize strict adherence to ethical and professional standards to protect the public interest and organizational practices (Hanlon, 1996; Suddaby et al., 2009), whereas private companies are more focused on or dominated by commercialism (Gendron & Spira, 2010; Kornberger et al., 2011). These results also strengthen the argument that public companies have more at stake in terms of reputation, leading to stronger incentives to maintain and enhance their ethical environment. Public companies also face greater legal risks, possibly encountering higher litigation risks, and are more motivated to ensure stricter ethical practices within their organizations.

5. CONCLUSION

5.1. Summary of Findings

This study examines the differences in ethical environment perception among accountants in public and private companies in Indonesia to gain insights into the strengths and weaknesses of the ethical environment within the accounting profession. Through the analysis of 768 data points, the results significantly indicate that accountants working in public companies perceive the ethical environment as stronger compared to those working in private companies.

5.2. Limitations and Future Research

The study has several limitations and suggestions for future research. First, this study lacks information about actual practices that can objectively measure an ethical environment, relying more on accountants' subjective perceptions, which could be influenced by individual biases. This can diminish internal validity because there is a gap between what is being measured and the reality of ethical practices. Future studies may consider using case studies, field observations, or interviews in public and private organizations to gain a more comprehensive understanding of the ethical environment. Second, without information on actual practices, this study finds it challenging to connect perceived outcomes with tangible actions that organizations or accountants can take to improve the ethical environment. Future research can investigate the differences in ethical environments between public and private companies with more in-depth research involving a greater number of variables and a larger sample size. Third, accountants in public companies perceive a relatively strong ethical environment, which may indicate socially desirable responses. There is still uncertainty about whether the research results reflect the actual situation or only socially desired responses. Potential social bias in accountants' responses can impact the reliability of the results and conclusions. Future studies need to identify potential social biases and measure the ethical environment more accurately to better understand the differences in ethical environments in various work contexts. Fourth, the results of this study are based on perceptions and may not always reflect actual ethical practices. Future research is needed to confirm and understand the causes of these differences. Further research can also identify best practices for enhancing the ethical environment in various types of organizations.

5.3. Implications

The results of this study provide several implications. First, public companies may have a stronger culture or practices for promoting ethics in their workplace. In other words, public companies might be more successful in creating a positive ethical environment, which can influence the ethical practices and commitments applied within the organization. A positive reputation in terms of ethics can offer a competitive advantage. Second, accountants working in public companies may be more exposed to professional ethical standards and strict regulations, which can affect their perception of the importance of ethics in their work. This has a positive implication for ethical practices across the accounting profession. Third, these results can impact employee recruitment and retention.

Public companies may be more attractive to professionals who prioritize ethical values in their work. This can also lead to accountants working for public companies being more satisfied and more likely to stay. Fourth, private organizations may need to place greater emphasis on developing their ethical environment through ethics training and providing adequate incentives for ethical behavior. The results also offer insights for tax offices and public accounting firms, suggesting that clients operating in public companies may operate in a weaker ethical environment compared to those in private companies, which has implications for assessing potential control risks.

In summary, this study provides important insights into the ethical environment of accountants across the accounting profession and offers some opportunities for future research.

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Transparency: The authors state that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.
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