“TEPOSLIRO” AND “SEMUCI”*) AMONG PUBLIC ACCOUNTANTS: DO WE KNOW, AND DO WE CARE?

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Abstract: “Teposliro” and “Semuci”*) among public accountants: Do we know, and do we care? The purpose of this paper is to examine the attitude of public accountants in situations of ethical dilemmas in their professional activities. This paper examines the effect of ‘teposliro’ on ethical decision-making and seek to establish the prevalence of ‘semuci’ perception bias in accounting research. Public accountants’ preferences determine their ‘teposliro’ levels as they answered questions about five scenarios related to auditing practice to measure their ethical judgments. An important finding of this study suggests that ‘teposliro’ influence ethical decision making and there is existence of social recognition of the ‘semuci’ or ‘holier than others’ among the public accountants.

Keyword: Accounting Ethics, Perspective Taking, Ethical Decision Making

Ethical issues in the accounting profession have always been a concern of society. Financial accounting scandals resulted in a sharp spotlight on the profession of public accountants, as Enron and WorldCom scandals (Benston and Hartgraves 2002; Largay III 2002). In Indonesia, some accountants are also subject to sanctions for violating auditing standards (eg KMK No. 1124/KM.1/2009 and No.1093/KM.1/2009). This shows the empirical fact that ethics in the accounting profession is an important.

Auditors are often faced with a dilemma situation which allows not acting independently in their activity (Bazerman, Morgan, and Loewenstein 1997; Finn, Chonko, and Hunt 1988; Kaplan 2004). Clement, Neill, and Stovall (2012) state that the auditor is inherently have a conflict of interest. Kaplan (2004) refers to the relationship between auditor and client is a major source of conflict or the Mother of All Conflicts. Auditors are required to remain professionally independent of the client, but at the same time they depend on the client’s needs because it received a contract fee, so is often the auditors are in a dilemma situation. Furthermore, this situation will cause a conflict if the auditor’s findings are not linear with what

1 *) Javanese language, ‘Teposliro’ = perspective taking, ‘Semuci’ = holier than others
is expected by the client (Knapp 1985; Tsui 1996; Tsui and Gul 1996).

When faced with conflicts audit, auditors often face ethical dilemmas because auditors are in a situation that should making a decision with the choices that affect ethical and has impact to various parties. Auditors are often in a situation of ethical dilemma because a variety of parties have a wide range of interests which is strongly influenced by decisions made by the auditor. Situation of ethical dilemma is a situation when one is dealing with two or more choices that are relevant, but that choices are mutually contradictory and fraught with ethical problem, or when each decision alternative is taken, it would be undesirable impact on one or more persons other (Dolgoff and Skolnik 1996).

Lawrence Kohlberg (in Trevino 1986) develop a theory of ethical decision making in the Cognitive Moral Development Theory that describes a process of ethical judgment and decision making. Research on judgment and decision making (J/DM) has a lot of coloring the disciplines of accounting, particularly auditing (Solomon and Shields 1995; Solomon and Trotman 2002). Importance of research on the J/DM in the area of auditing is to provide an explanation of a) how the auditor in making a judgment and decision making, and b) how to improve quality of judgment and decision making in the audit (Solomon and Shields 1995).

Ethical decision making is the antecedent of ethical behavior. An ethical decision according to Jones (1991) is a decision both legally and morally acceptable by the public. Hunt and Vitell (1986) defines ethical decision is a decision that the most ethical choice among the alternatives in ethical problems. Rest (in Sparks and Pan, 2010) states that ethical decision is a psychological construct that characterizes a process by which an individual determines that one course of action in a particular situation is morally right and another course of action is morally wrong.

Some models of ethical decision-making process describes how a person can make decisions under ethical dilemmas (Wotruba 1993). McMahon and Harvey (2007) also states that a model of ethical decision-making is not to explain how a person should attempt to make ethical decisions, but rather focus on how the process of ethical decision-making itself. Rest (in Jones 1991) develop a model that is often used in understanding the ethical decision-making process. This Model states that the model of decision making and ethical behavior consists of four stages: first, the stage when someone responds about the moral issues in an ethical dilemma situations. The first stage is often referred to as one’s moral sensitivity, because it describes the stages of one’s ethical sensitivity when dealing with moral issues in an ethical dilemma. Then the second stage is the stage of ethical decision making, namely the stages a person makes a decision after responding to an ethical issue. Next is a moral intention is the intention of a person to want to behave ethically or otherwise, as a continuation of the chosen decision. And finally, the fourth is moral behavior, the actions of a person to behave ethically or unethically himself. According to Jones (1991), often on the ethics topics research, researchers looked only at the stage of ethical decision-making and is not ethical behavior, because after a process of ethical decision-making, behavior may occur that are not in line with the decisions that have been made previously. This happens because many factors influence after taking a decision.

Several research studies have revealed a range of variables that influence ethical decision making (Ford and Richardson 1994; Loe, Ferrell, and Mansfield 2000; O’Fallon and Butterfield 2005; Paolillo and Vitell 2002). The review is to summarize the various researches on ethical decision making in a wide range of disciplines and a wide range of situations. An important finding in the research study was twofold: that the main variables in ethical decision-making are the variables that are uniquely associated with individual decision maker (individual factors) and the variables that are the result of the socialization process and the development of each individual the social environment (environmental factors). Trevino (1986) also states the ethical decision making is an interaction between individual and situational variables. The individual’s unique variable is a variable that is characteristic of innateness as gender, age, nationality and so on, whereas an environment variable is as an organization, work environment, professional environment and so on.

Fritzsche and Oz (2007) states individual variables are very influential in making ethical decisions. Hogan (1973) also stated that one element of character is moral empathy or ‘moral point of view’. Teposliro or perspective-taking is the essential ingredient
of empathy (Davis 1980). Empathy is one of the indispensable individual abilities when interacting with others. Empathy consists of three main components, namely: a) affective response to the attitudes or feelings of others (affective response), b) ‘teposliro’ or perspective-taking is the cognitive process to see an act from the perspective of others and c) the process is a conscious effort to act in empathy (Segal, Gerdes, Stromwall, and Napoli 2010).

Perspective taking, or adopting another person’s viewpoint, has long been considered an important developmental trend that is responsible for much of human social capacity (Parker and Axtell 2001). The ability to intuit another person’s thoughts, feelings, and inner mental states is surely among the most impressive of human mental faculties. Ku, Wang, and Galinsky (2010) defines the perspective-taking as “... the process of imagining the world from another’s vantage point or imagining oneself in another’s shoes”. Perspective-taking is an individual’s ability to analyze situations from the viewpoint of others, as well, a person’s ability to perform sophisticated cognitive process of seeing things from another’s perspective. Developing these perspective-taking abilities appears critical for many of the good things in social life, from empathy, to cooperation, to possible acts of altruism. Not all humans develop these skills to equivalent degrees, and those who do not develop these skills to any degree are among the most puzzling (and occasionally horrifying) members of society as they look perfectly human but act completely unhuman (Epley and Caruso 2009).

There is also evidence that advances in perspective-taking skills underlie moral development and reasoning. For example, in Kohlberg’s six-stage description of moral reasoning, individuals progress slowly from a primitive, egocentric morality to a more principled view in which individuals can see multiple perspectives, the highest levels of which, it is suggested, many mature adults are unlikely to achieve. Ku et al. (2010) states that ‘thinking is for doing, perceiving is for acting’, meaning that social perception is not inevitably associated with decision-making. Empathy, in its broadest sense refers to a person’s reaction to the experience inherent in others. These reactions include cognitive reactions, ie reactions a person’s intellectual and emotional reaction to a deep affective (Davis 1980). Segal et al. (2010) called empathy with the main components, namely: a) affective response to the attitudes or feelings of others (affective response), b) cognitive processes to see an act from the perspective of others (perspective-taking) and c) the process is a conscious effort to act of empathy. Empathy is one of the indispensable individual abilities when interacting with others.

Empathy is a multidimensional construct, consisting four dimensions, (1) “teposliro” (perspective-taking), the tendency to spontaneously conduct a psychological assessment from the viewpoint of others (2) fantasy, a tendency to transform itself into an imaginary character (3) empathic-concern, the orientation of feeling sympathy for misfortunes of others and (4) personal distress, the feelings themselves are anxious and not at ease in dealing with others (Davis 1980; 1983). So ‘teposliro’ or perspective-taking is an essential part of one’s empathy.

Understanding how perspective taking operates in everyday social life requires both a consideration of the impressive strengths of this mental ability. There is no question that humans are capable of adopting others’ perspectives and that doing so can increase social coordination, cooperation, and even psychological altruism. Ferrell and Gresham (1985) states that a person’s ability to see the orientation from the other perspectives can categorized as a unique variable in the process of ethical decision making. Individual with a high level teposliro will see himself often from the perspective of others and see others from the viewpoint of him. Individual with high level teposliro will have an advantage in coordinating the actions when interacting with others or when faced with a very complex situation. The study also wanted to prove teposliro (the perspective-taking) as forming the moral character and its influence on ethical decision making. So in this study developed the following hypothesis, individuals with high levels of “teposliro” or perspective taking, will make more ethical decisions.

The research on ethical behaviour by accountants and auditors has almost exclusively relied on data gathered through the use of questionnaires. While this reliance on questionnaires is partly attributable to the fact that they are relatively easy to use and inexpensive, their usage is also frequently necessitated by the fact that the variables of interest are unobservable constructs such as the respondent’s attitudes, values or inten-
tions. While researchers generally hope that a respondent's answers will be based on the substantive meaning of the items included in the questionnaire, it has also been recognised that responses are also susceptible to content-irrelevant factors called response biases (Patel and Millanta 2011).

A “semuci” or “holier-than-thou” perception bias results in individuals perceiving their peers as behaving less ethically than themselves when confronted with ethically uncertain work-related behaviours (Tyson 1990). Social desirability bias is the tendency of someone to answer questions in a manner that will be viewed favorably by others. It can take the form of over-reporting “good behavior” or under-reporting “bad,” or undesirable behavior. The tendency poses a serious problem with conducting research with self-reports, especially questionnaires. This bias interferes with the interpretation of average tendencies as well as individual differences. Socially desirable responding refers to a desire, at either a conscious or subconscious level, to deny socially undesirable traits or behaviours and to admit to socially desirable ones.

As research into the ethical behaviour of accountants relies on information gathered through questionnaires and because the issues are of a sensitive nature, the risk that a respondent's answers will conceal, either intentionally or unintentionally, their true attitudes or behaviours would appear to be substantial. Fisher (1993) observes that socially desirable responding has been found to occur across a broad range of self-report measures and in virtually all of the social science literatures. He concludes that research that does not recognise and compensate for this bias “may lead to unwarranted theoretical or practical conclusions about attitudes, intentions and behaviours”.

There has been much research on ethics in accounting, but have not revealed much about the behavior of auditors in ethical decision making, especially about the need for recognition of the social justification for the decision that has been taken. Recognition of the social justification is needed by decision makers to gain recognition and legitimacy of the decisions that have been taken are moral and ethical. Patel and Millanta (2011) examined the concept of 'holier-than-thou' between accountant in Australia and India stated that the social and cultural environments influence “semuci” behavior. This means that in a specific cultural context, there is a need for social recognition that a person referred to more ethical or holier than others in ethical decision making.

A “holier-than-thou” or “semuci” perception bias results in individuals perceiving their peers as behaving less ethically than themselves when confronted with ethically uncertain work-related behaviours. This study further examines the concept of auditor’s ‘holier-than-thou’ or ‘semuci’ when they are in ethical decision making related to the social context of an ethical culture in Indonesia. In other words, is whether the auditors’ ethical decision-making in Indonesia also requires social recognition or legitimacy of the ethical decisions that have been made. An examination of “holier-than-thou” perception bias is important within accounting industry because this bias may foster an unethical organizational culture. Individuals may rationalize unethical behaviour as being necessary to successfully compete with others who they perceive as being far less principled. So in this research can be expected there was a “semuci” feeling among public accountants in Indonesia.

**METHOD**

Dimension of teposliro in this study was adapted from an instrument developed by Davis (1980). This dimension measures the individual's point of view of a situation or condition. Person with the higher level of teposliro, then it will have a more diverse perspective and not simply be based on the point of view of himself. Dimensions according teposliro levels measured by six indicators, each indicator is measured with a 5-point Likert scale the degree of agreement.

Hunt and Vitell (1986) define ethical decision as a decision of the most ethical choice between alternative options in the ethical problem (the most ethical alternative). Hunt and Vitell (1986) states that to test a model of ethical decision making, it is a very important thing is there should be a situation or scenario that could be perceived the ethical content of the charge in that situation. Ethical decision-making variables in this study were measured by preparing a case scenario approach the situation of ethical dilemmas that accountants actual job situation. The use of scenarios to study ethics in order to describe the situation has actually been done by many researchers (Claypool, Fetyko, and Pearson 1990; Cohen, Pant, and Sharp 1996;
Scenarios will help to standardize the social stimulus of respondents and at the same time a more realistic picture of the cognitive process of ethical decision-making. There are five scenarios of ethical dilemma situations faced by accountants. Respondents were asked for their feedback on whether they agree in every scenario there is the intensity of the ethical content. Subsequently respondents were asked to state the possibility of agreement on the action in the scenario which is a reflection of ethical decision making. These measurements correspond to the first two stages in the process of ethical decision-making according to Rest (in Ziegenfuss and Martinson 2002), the first phase, an understanding of the presence or absence of ethical issues, and the second stage, the ethical decision-making itself.

In studies that ask about sensitive topics then it will be difficult to obtain accurate answers from respondents. So often used to ask questions indirectly to test the accuracy of respondents’ answers. One alternative is by asking questions such as “do your colleagues are also doing the same thing?” This question actually confirm the answers given by the respondents, but this question can also be a reflection of the extent of the desire of social recognition or social legitimacy of the respondent against the decision made on the subject in question.

‘Semuci’ or ‘holier than others’ is socially desirable responding bias, the tendency to give answers that make the respondent look good. The ‘semuci’ test is performed by asking the third question, whether his/her friend will probably do so take a similar decision. This measurement in research of ethics is often called the Social Desirability Response Bias, the bias that occurs because they think a user feel more ethical than their colleagues or ‘semuci’ (Paulhus, 1991). “Semuci” or “holier-than-thou” perception bias is measured by asking respondents two questions, namely, whether they and their colleagues would make the same decision as the actors in various ethical contexts provided in scenarios. The difference between the two questions is a measure of the magnitude of any perception bias that may be present in the responses (Patel and Millanta 2011; Tyson 1992).

Respondents were asked to evaluate the actions of the auditor-incharge their responses on the last two questions. These are (i) whether they would make the same decision as the auditor in the scenarios, and (ii) whether their colleagues would make the same decision. Responses were captured on five point Likert scale ranging from “highly probable” to “highly improbable”. The difference between the two questions is a measure of any “holier-than-thou” perception bias that might be present in the responses.

Teposlio is measured using questions such as these:
1. Do you think there are ethical issues in such cases?
2. If you are an auditor, whether it may act like that?
3. Does your partner may act as the auditor?

Testing the validity of each variable based on the criteria of Composite Reliability, Cronbach Alpha and AVE. WarpPLS software used in the analysis with the assumption that the relationship between variables is not linear or curved.

RESULT AND DISCUSSION

Questionnaires distributed to the public accountants who are following the IAPI (Institut Akuntan Publik Indonesia) meeting in Surabaya and Jakarta. There are some 129 public accountants who completed questionnaires and can be processed further in this study. Testing the reliability of measurements of each variable showed a fairly reliable criterion. Composite Reliability for Teposlio=0.863 and Ethical Decision Making is 0.875. Cronbach Alpha for Teposlio= 0.810 and EDM is 0.821, Average Variable Extraction AVE for Teposlio= 0.513 and EDM is 0.583). WarpPLS software testing results indicate a significant relationship between teposlio and ethical decision mak-
and Tversky, 2006; Paese and Yonker, 2001; Galinsky and Moskowitz, 2000; Lozano, Hard, and Tversky, 2006; Davis, 1983; Galinsky, Ku, and Wang, 2005; Galinsky and Moskowitz, 2000; Lozano, Hard, and Tversky, 2006; Paese and Yonker, 2001; Wade-Benzoni, Tenbrunsel, and Bazerman, 1996)

Using t test, the second ‘semuci’ hypothesis, the result shows that there is a difference between the accountants judgment and his/her frinds in their ethical decision making. Means of their respond is 1.890 while his/her partner is 2.229. Furthermore, based on the statistical test, it shows its significantly difference (sig: 0.000). The t tests showed a significant difference between the average public accounting decisions than others. This proves that the public accountant is socially also want to be recognized more ethical in their behavior.

In this paper, it has been argued that teposliro can affect individual ethical decision making process. Previous research has been presented showing the influence of teposliro (perspective taking) on individual decision making process. In this study proved that the ‘perspective-taking’ influence on ethical decisions. It also proves that a person who has a high level of teposliro, then the decision is also relatively more ethical.

Accountants in itself contains a lot of conflict of interest. In this situation an ethical dilemma, as an accountant, it is important to consider all aspects and multiple points of view to make ethical decisions. If the accountant is only thinking of himself, then it’s like autism, that is, those who do not care about the environment. The term is autistic accountant. Why is this a concern? Because accountants representing many interests, clients’ interests, the interests of investors, the interests of shareholders, and the most important is the public interest.

Teposliro, an orientation of the individual characters are seen from the perspective of others can be categorized as a unique variable in the model of ethical decision making (Ferrell and Gresham, 1985). Someone with a high teposliro, will see him, often from the perspective of others and see others from the viewpoint of himself, so it will have an edge in coordinating actions when dealing and interacting with others and when faced with complex situations that situation. The importance of attitude ‘teposliro’ in social touch as this will reduce the self-centered behavior and increase the sense of altruism (Davis, 1983; Galinsky, Ku, and Wang, 2005; Galinsky and Moskowitz, 2000; Lozano, Hard, and Tversky, 2006; Paese and Yonker, 2001; Wade-Benzoni, Tenbrunsel, and Bazerman, 1996).

Self-report questionnaires are commonly used as an observation technique in empirical investigations of ethical beliefs and behaviors. Socially desirable responding has been of long-standing interest to the field of ethics research. Unfortunately, the construct has not always been well understood by accounting researchers. The findings suggest that “semuci” or “holier-than-thou” perception bias exists among accountants. In the present study also found that social desirability bias range also shows a high, indicating that this Indonesian community, social individuals to be recognized in a more ethical behavior. These findings have implications for accounting research where the presence of “semuci” perception bias needs to be considered in cases where respondents are questioned on socially sensitive issues. The concept of ‘semuci’ is an interesting finding to be further investigated. The findings may be useful to accounting researchers, and accounting firms in particular. This ‘semuci’ concept framework applied in this study is innovative and provides a template for assessing future research in accounting ethics.

CONCLUSION

Studies on the topic of ethical decision making in accounting began to develop and become the attention of researchers (Weisbrod 2009). Society wants the accounting profession has moral integrity and always put the public interest rather than the interests of individuals in the practice of accounting be an important theme.

The present research provides strong evidence that the effects of teposliro or perspective-taking are geared towards creating and maintaining social bonds and increasing social coordination in ethical judgment. This study contributes to the auditor in the manner and in the belief that the auditing activity requires not only technical competence of accounting per se, but when dealing with ethical issues, the auditor should be more sensitive and ethical awareness by reinforcing the values of moral character as a form of professional responsibility. In ethical decisions, accountants should not be thinking about himself, but also think of the other. According to Ku et al., (2010) accountants as perspective-takers see more of themselves in others and more of others in themselves. As a result of this reciprocal self-other merging,
perspective-takers are better able to coordinate their behavior with others, to achieve successful social interactions, and to build and maintain social relationships. This study found that an individual’s ability to take another’s perspective or “teposliro” did enhance accountants recognition of a moral issue.

Is the concept teposliro contrary to the concept of the independence of an accountant? On the ethical side, the concept teposliro is one element of moral character, important variables that must be owned by an accountant when faced with ethical issues. In keeping with Kohlberg moral stage, the people who have high teposliro will be the person with the higher stages of moral than someone who thinks only of himself.

Competition among firms affect the respective accountants aggressively to “look beautiful” and “more ethical” in the market. In Indonesia, people still believe that seeing someone with morality in his actions, even if it’s just a formality, not substance. Culture in Indonesia desperately need the recognition of individuals to be morally considered sacred, it also affects the behavior of accountants in making ethical decisions. This study proves that when making ethical decisions, the accountant wants him socially considered noble. This study also examined whether “holier-than-thou” perception bias exists among the Indonesian Public Accountants, then the condition ‘semuci’ is indeed the case. It can be viewed as a personality characteristic, “semuci” is frequently labelled a “need for social approval. That is a cultural, looks hypocrisy going on between the auditors of behaving ethically. If this happens, then this is an important issue for the profession. Because honesty is the main thing that should be put forward to the accounting profession.

This ‘semuci’ issue is a challenge for the accounting profession. Starting at level accounting education to become a professional accountant, the accountant must be persons of high integrity and strong moral character. In ethical decision making by auditors, it is actually very important regardless of whether the decision was socially more ethical or not. And accountants should not be restricted for the benefit of himself acknowledged holier than others when making decisions. This is a serious problem faced by the accounting profession if every decision there is always a moral bias and want to be perceived to be more ethical than others. Accountants should not be stuck in an improper sense; feel ourselves more ethical or more sacred feeling. In the activity, not only looking outside, but behind all that, the more substance, should be run by upholding the ethics, not for social recognition.

REFERENCES


