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The Effect of Ethics and Social Responsibility in Accounting Practice on Students' Views in the Digital Era

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Abstract:

This research aims to discover students' views regarding applying ethics and social responsibility in accounting practice in the digital era. Along with the development of information and communication technology, the accounting profession faces new challenges related to ethics and social responsibility. This study uses a quantitative approach and descriptive analysis to answer research problems. This study uses a survey method by distributing a questionnaire to 35 accounting students at Medan State University. The hypothesis used is multiple linear regression, t-test, and f-test. The results of partial research, the application of ethics and social responsibility, both have a significant effect on students' views in the digital era. Simultaneously, the application of ethics and social responsibility in accounting practices is having a significant impact on students' views in the digital era. The variable of the application of social responsibility in accounting practice has a dominant effect on students' views in the digital era.

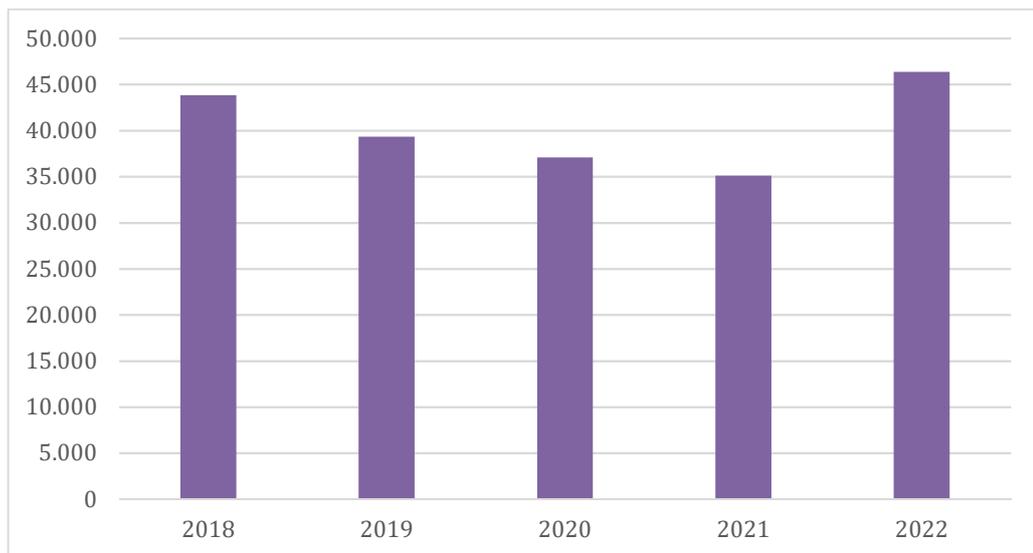
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Introduction

The digital era has brought significant changes to many fields of life, including business and professional accounting. Progress in technology, information, and communication has made task accounting faster, more efficient, and automatic. If, in the past, accounting was identical to manual recording and intensive calculations, now accountancy has transformed into a profession that is highly dependent on technology. The development of digital technology has allowed companies to measure and report performance sustainability more transparently.

The accountant's role is important in ensuring that information reported on sustainability is accurate and relevant. In addition, accountants can also play a role as consultants to help companies integrate aspects of sustainability into their business strategy in the future. Progress technology makes work accountants more accurate, but it also causes new problems. One of them is problem ethics. Accountants now must know more about right and wrong in work and how they can impact society. In addition to being honest and objective, accountants must also care about the environment and society.

The development of digital technology has changed the landscape of professional accountancy drastically. Increasing automation and data analysis increase efficiency and accuracy in financial data processing. However, behind this progress emerged a challenge in the new related ethics profession. The survey shows that case fraud accounting involving technology information has increased sharply over the years (see Figure 1). Number of incident crimes related to fraud, embezzlement, and corruption, 2018–2022.



Source: BPS (Central Statistics Agency)

Figure 1. Accounting Fraud that IT

Ethics in accountancy has always become an important issue. Internal ethics accounting is not only limited to technical aspects like honesty and objectivity but also includes more dimensions that are not quite enough to answer social. Accountants not only play a role as providers of information finance but also as agents of changes that can be made to contribute to sustainable development. In the context of the digital era, responsibility answers social accountants to be more relevant. Accounting plays an important role in providing accurate, transparent, and relevant financial information to make decisions like management, investors, and other external parties. As technology and digitalization developed, the practice of accounting also experienced significant changes.

In the digital era, the accounting process has become more efficient and automatic with advanced accounting software assistance. However, this progress also brings new challenges, such as the dilemma of ethics related to data security, privacy, and the use of information finance. Ethics in accountancy is still becoming an increasingly important thing for accountants to adhere to to maintain the integrity and trust of the public in their profession. Ethics, profession, and responsibility, and answering social are two very important aspects of guarding the integrity of professional accountants and trusting the public with information about the finances presented.

Challenge This ethics is increasingly complex; sue the accountants for their deep understanding of the principles of ethics, and not quite enough answers to social company. Using massive data and algorithms opens opportunities for data manipulation, breaches of privacy, and conflicts of interest. In addition, the development of technology also gives rise to dilemmas and ethical issues, such as not having enough answers from accountants to ensure that the system information accounting used is designed to consider aspects of security and confidentiality of data. Professional ethics in accountancy are not only related to compliance with standard accounting but also include a commitment to giving fair and honest information to the public. According to Lubis (1994), the ethics profession is an attitude in life that reflects a willingness to give service to society. The number of cases of corruption, fraud, theft, and violations in Indonesia shows that guidelines for behavior and ethics professionals have not yet been set.

Richard DeGeorge (1993), in *Business Ethics*, emphasizes the importance of ethics in professional business and accounting. DeGeorge highlights that the ethics profession must be based on responsibility and society, where accountants must consider the impact of work on society, not only on Company profits. Responsibilities answer social in-practice accountancy understood as an obligation of an accountant not only to comply with a standard professional but also to consider the impact of his decisions and actions on society. This also includes how accountants contribute to the welfare of society, the environment, and the management source, Power sustainability. On the other hand, ethics in accounting also emphasizes honesty, objectivity, and transparency as principles that must be obeyed strictly. As all field professionals, we must avoid activities that violate laws and are detrimental to society (Muria & Alim, 2021).

This is related to the magnitude of hope from the public to professionals in the field. The For not only focuses on profitability but also pays attention to ethics and the impact of the decisions made. With an understanding viewing students as the generation that will become perpetrators in the world of future accounting, it is hoped that they can obtain a better picture of the readiness they face challenging ethics and run not quite answer expected social can in line with moral principles and commitments to sustainability, social as well as environment.

Literature Review

The Need for Ethics in Practice Accountancy

The AICPA (American Institute of Certified Public Accountants) emphasizes that ethics is based on trust in the public to professional accounting. Without ethics and professional accountancy, no one can provide quite enough answers to clients and society. Accounting ethics is a set of values, principles, and moral standards that accountants must apply in practice accounting. This includes honesty, objectivity, and fairness in making decisions, reporting finance, and auditing. Accounting ethics are considered important because they ensure integrity, reliability, and transparency in financial information. This protects the interest of the public, prevents fraud, and increases the trust of the public in professional accountancy. IFAC (International Federation of Accountants) says that ethics in accountancy help guard the integrity of the financial report, finance. Strong ethics support accountants in making correct and transparent decisions. Therefore, ethics plays an important role in ensuring that practice accountancy is implemented with integrity, honesty, and transparency. (1) Moral foundations for honest actions in professional accountancy. (2) Contribution of ethics in building stakeholder trust

Principles of Ethics

As specified in the Code of Ethics for International Accountant professionals by IESBA (International Ethics Standards Board), there are five principles of the ethics profession of accountancy according to IAI or Bond Indonesian Accountant. The principles of the ethics profession are part of the code of ethics that establish the standard quality based on expected behavior from an accountant. Five principles of basic ethics for accountant professionals. Some principles in ethics accounting include: (1) Integrity (Behave openly and honestly in all connections, both professional and business). (2) Objectivity (Do not let bias, conflict of interests, or influence that is not from other parties who can put aside consideration, professional or business). (3) Competence, Professionalism, and Care (Providing knowledge and attention professionally at the required level to ensure that the client or giver work accepts service from competent professionals based on the development of the latest in practices, regulations, technologies, and expertise that can be applied). (4) Principles of confidentiality (Do not disclose information to third party without clear and adequate authority, except when required by law or professional obligation, and do not disclose information obtained from connection professional and business information the). (5) Behavior Professional (Complying) with the regulation applicable legislation and avoiding destructive behavior , trust to a professional accountant).

Accountancy Accountability Social

The American Institute of Certified Public Accountants (AICPA) defines accountancy as the art of recording, classifying, and summarizing transactions of a nature significant to financial and monetary, and interpreting the results of transactions. Accounting is not quite enough to answer social issues involving

election variables, sizes, and sizes performance of social level companies, develop information systems that help evaluate the performance of social companies, and continue. This information is for internal and external interests process distribution company, something to group social. Considering not quite enough answers, social give information about to what extent an organization or business contributes positively or negatively to the quality of life, society, and the environment.

The definition of accountancy, accountability, and social by Belkaoui (1999) is the process of classifying, measuring, and expressing the impact of strong interaction between the company and the environment, social. On the other hand, Usmansyah (1989) stated that draft accountancy is not quite enough to answer social as an extension of principles, practices, and in particular skilled accountants. There are several different definitions of accountancy, not quite enough to answer social, but characteristics written by Usmansyah (1989): (a) Accounting does not quite answer social, with evaluating the impact of social from the activity of the company. Thus, its characteristics are similar. (b) Measuring the effectiveness of entrepreneurship programs, social. (c) Show how far the company has not quite enough answers on social. (d) System internal and external information that allows evaluation source Power in a way comprehensive.

Key Challenges in the Implementation of Accounting Ethics

Transformation accounting in the digital age is not only about the utilization of technology only, but also about changing paradigms and adaptation to challenge new ones (Tan, Ambouw, and Kustiwi 2024). One of the biggest challenges is data security with the amount of financial data stored digitally, data protection becomes a priority. The company must invest in a strong security and develop a policy-tight security to protect sensitive information. In his book *The Future of the Profession* (2015), Richard Susskind argues that technology like artificial intelligence and automation will replace professional accountancy traditions. Routine accounting processes such as bookkeeping and reporting can be automated, which causes concern that the work of the accountant will be lost. Robert W. Scapens (2006), in the theory about change practice accounting, states that regulations and standards of accountancy need to be kept updated because of the development of technology. For example, only in the digital era, standards such as IFRS must accommodate change reporting finance based on technology, such as blockchain usage.

Implementing Indonesian Accounting Ethics can become a challenge for accountants. Some possible challenges faced include: (1) Conflict of Interest, like giving presents or gratification from the clients, taking profitable decisions for parties, and auditing the accountant company client while one's own interest finance personal. (2) Pressure External, like pressure from management to manipulate the report finance, pressure from clients to give favorable opinions, pressure from competitive business, as well as pressure from the party government or the regulator. (3) Complexity Regulation, like changes and

updates, fast regulation, requirements special for the sector industry, certain, and mismatch between the standard international and local. (4) Lack of Awareness, like awareness towards Ethics, Awareness of not quite having enough answers, Awareness of regulation and compliance, lack of education and training, as well as pressure environment and culture organization. (5) Technology and Ethics, like privacy and data confidentiality, Security, Cyber, Addiction to Technology, and Compliance with the regulation technology.

Research methods

The type of research used is quantitative. According to Sugiyono asserts with clarity in 2019 (p. 318) that...Sugiyono asserts with clarity in 2019 (p. 318), "In research quantitative, the method data analysis used clear, and data analysis is based on answering formulation problems and/ or formulating proposal ". As for the respondents in the sample, this research is a student majoring in accounting at Medan State University. The survey will be distributed in Google Forms. The instrument questionnaire in this research is adapted from research conducted by Santika, et al., (2023). Some items in the instrument have been modified to adapt to the context of this research.

Instrument the same uses a Likert scale from 1 to 3 and provides a mark to him, where the mark for the score is, Strongly agree = 3, agree = 2, no agree = 1. This numeric data is analyzed with the use of a statistical method. Next, take the average value for each variable. The samples taken in this study involved 35 students. The sample was done with a non-probability sampling technique with a convenience sampling method. The questionnaire was distributed to the Respondents consisting of 12 questions and 2 containing suggestions and opinions.

This numerical data is analyzed with the use of a statistical method. For collecting data of a nature, numeric discrete. The purpose of this measurement is to make data analysis easier. This study uses multiple linear regression, validity and reliability test, t-test, and F-test with SPSS 26 program assistance to analyze data and test the hypothesis proposed.

Results and Discussion

Validity Test
Table 1. Validity Test Results

VARIABLE X1	Pearson Correlation	Conclusion
Question 1	,523 **	Valid
Question 2	,460 **	Valid

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Question 3	,422 *	Valid
Question 4	,387 *	Valid
VARIABLE X2	Pearson Correlation	Conclusion
Question 1	,468 **	Valid
Question 2	,573 **	Valid
Question 3	,378 *	Valid
Question 4	,439 **	Valid
Question 5	,421 *	Valid
VARIABLE Y	Pearson Correlation	Conclusion
Question 1	,437 **	Valid
Question 2	,472 **	Valid
Question 3	,394 *	Valid

Source: Researcher (2024)

It can be concluded that all indicator questions used are valid, with N=34 at 5% significance on the distribution statistical value, then can obtain the mark R table (0.3246).

Reliability Test
Table 2. Reliability Test Results

<i>Cronbach's Alpha</i>		N of items
.623	Valid	12

Source: Researcher (2024)

The output results above show results overall from the question above 0.3246, which is 0.623, so we can state that it is reliable. According to Sugayono (2018:220), an instrument is said to be reliable if the coefficient reliability is at least 0.6. The Cronbach alpha value of less than 0.6 means that the No can be reliable

Multiple Linear Regression Test Results
Table 3. Multiple Linear Regression Test Results

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.479	.617		5,642	.000
	Ethics (X1)	.188	.053	.344	3,557	.001
	Social Responsibility (X2)	.392	.055	.691	7.149	.000

a. Dependent Variable: Views Student

Source: Researcher (2024)

Ethics have a mark significance of $0.001 < 0.05$, has results $t_{count} > t_{table}$ that is mark t_{count} of $3.557 > t_{table} 2.03693$, then conclude Variable X1 has an effect significant against Y, Responsibility answer social have marked significant of $0.000 < 0.05$, $t_{count} 7.149 > t_{table} 2.03693$, then conclude Variable X2 has an effect significant against Y.

T-test

Table 4. T-test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.479	.617		5,642	.000
	Ethics (X1)	.188	.053	.344	3,557	.001
	Social Responsibility (X2)	.392	.055	.691	7.149	.000

Implementation ethics have a mark significance of $0.001 < 0.05$, with $t_{count} > t_{table}$ that is marked t_{count} as big as $3,557 > t_{table} 2.03693$, and Social Responsibility have mark significance of $0.000 < 0.05$, $t_{count} 7.149 > t_{table} 2.03693$.

F Test

Table 5. F test results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12,090	2	6.045	41,371	.000 ^b
	Residual	4.676	32	.146		
	Total	16,765	34			

a. Dependent Variable: Views Student
 Predictors: (Constant), Social Responsibility, Ethics
 Source: Researcher (2024)

A probability value of $0.000 < 0.05$ then H_0 is rejected and H_a is accepted so that can concluded in a way simultaneous ethics and responsibility answer social practice accountancy influence to view students in the digital era.

Discussion

Influence Implementation of Ethics and Social Responsibility in Practice Accountancy in General Partial To View Students in the Digital Age

Implementation ethics in practice accounting is influential to the view of students in the digital era. This can seen in the value its significance of $0.001 < 0.05$ and the calculated t value as big as $3.557 > t_{table} 2.03693$, based on results mark significance obtained from calculation answer questionnaire that has been shared by students major accounting at Medan State University in part big student give response agree on the need implementation ethics in practice accounting, then implementation ethics influential significant. The results of this study are in line

with Hari et al. (2023) in other words, in understanding the student accountancy ethics profession, accountants understand behavior ethically meaning recognize behavior by code ethics, recognizing consistent action with values of trust, even when action the difficult applied, and recognize actions based on norms.

Implementation is not quite enough to answer the social in practice accountancy, influential to view students in the digital era. This can be seen in the value of its significance of $0.000 < 0.05$, t count $7.149 > t$ table 2.03693 , value significance the obtained from results answer Respondents through the questionnaire given, then not quite enough answer social influence significance. The results of this study follow Hatane, et al.'s (2020) findings. This research is based on hypothesis test results about the perception of students to not quite enough accountants and competent accountants in IT, and Gender did not influence understanding not quite enough responsibility and competent accountants.

Influence Implementation of Ethics and Social Responsibility in Practice Accountancy In general Simultan To View Students in the Digital Age

H2 in this research is implementation ethics and responsibility, answer social in practice accountancy influential simultaneously to view students in the digital era. This can be determined with the mark of its significance of $0.000 < 0.05$.

Implementation of Social Responsibility in Practice Accountancy Influential Dominant To View Students in the Digital Age

The hypothesis in this research is that implementation is not quite enough to answer the social practice accountancy influential dominant to view students in the digital era. Based on Table 4, the variable implementation is not quite enough to answer social own value as big as 7.149 and Implementation ethics as big as $3,557$. Angga (2024) states that student accountancy needs to understand the impact of the activity business on the environment and society in a way overall, must identify how practice accountancy supports the objective of sustainability and enables organizations to manage the risk environment and social. With notice issues, sustainability said, students' accounting can contribute to the creation of more companies that are responsible and sustainable. Therefore, the hypothesis is accepted in this research because the highest t -value is not quite enough to answer social in-practice accountancy.

Conclusion

From the results This research can be concluded as follows: (1). Implementation ethics and responsibility answer social in practice accountancy influential significant to view students in the digital era. (2). Implementation ethics and responsibility answer social in practice accountancy in a way that simultaneously views students in the digital era. (3) Implementation not quite enough to answer the social practice accountancy influential dominant to view students in the digital era. Therefore, knowledge ethics and responsibility must

answer the social needs of students, for the benefit in the future in operating tasks, good in the world of college or the world of work later.

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