

THE EFFECT OF EMOTIONAL INTELLIGENCE AND SELF-EFFICACY ON THE ETHICAL JUDGMENT OF FUTURE ACCOUNTANTS IN EASTERN INDONESIA

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Abstract

Ethical decision-making is crucial for an accountant. Ethical decisions have moral content that must be upheld by accountants. The purpose of this study is to examine the influence of emotional intelligence and self-efficacy on the ethical judgments of prospective accountants in Eastern Indonesia. The focus of the study on Eastern Indonesia refers to the still very limited research on ethical judgments among accounting students in the region. This study used a quantitative approach with data management using SPSS. Total of 116 respondents' data were processed and showed that emotional intelligence had no effect on ethical judgments, while self-efficacy had a negative effect on the ethical judgments of prospective accountants in Eastern Indonesia. The implications of this study demonstrate the importance of ethics learning that is not only limited to theory but also uses a case-based learning model so that future prospective accountants can adapt to various dilemmas

Keywords: Emotional Intelligence, Ethical Judgment, Self-Efficacy, Accountants, Eastern Indonesia

Abstrak

Pengambilan keputusan etis merupakan keputusan yang sangat krusial bagi seorang akuntan. Keputusan etis memiliki muatan moral yang harus dijunjung tinggi oleh akuntan. Tujuan penelitian ini adalah untuk mengkaji pengaruh kecerdasan emosional dan efikasi diri terhadap penilaian etis calon akuntan di Indonesia Timur. Fokus penelitian di Indonesia Timur mengacu pada masih sangat minimnya penelitian tentang penilaian etis pada mahasiswa akuntansi di wilayah tersebut. Penelitian ini menggunakan pendekatan kuantitatif dengan pengelolaan data menggunakan SPSS. Sebanyak 116 data responden telah diolah dan menunjukkan bahwa kecerdasan emosional tidak berpengaruh terhadap penilaian etis, sedangkan efikasi diri berpengaruh negatif terhadap penilaian etis calon akuntan di Indonesia Timur. Implikasi dalam penelitian ini menunjukkan bahwa pentingnya pembelajaran etika yang tidak hanya terbatas pada teori tapi juga dengan model pembelajaran berbasis kasus sehingga calon akuntan masa depan dapat adaptif dengan berbagai dilema yang dihadapi.

Kata kunci: Kecerdasan Emosional, Penilaian Etis, Efikasi Diri, Akuntan, Indonesia Timur

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INTRODUCTION

Accountant is a profession that requires judgment based on the actual conditions that occur. Ismail & Rasheed (2019) argued that accounting contributes to a country's economic growth, is responsible for protecting the public interest, and ensures good corporate governance. In line with this, accountants are closely associated with the occurrence of fraud. Recent corruption cases involve regional officials who hold power, and such actions have caused losses to the state or the institutions where they work, due to the abuse of authority. Poje & Groff (2023) stated that the integrity of the accounting profession began to be questioned following corporate scandals at the turn of the century. This applies not only to the public sector but also to the private sector.

Accountants play a critical role in influencing business decisions of users of financial statements. Therefore, the effectiveness of these decisions depends largely on the quality of financial statements. Financial statements must be prepared in accordance with the highest ethical standards. The significance of ethics in accounting has increased, particularly in response to corporate scandals at the turn of the century. These scandals highlighted ethical deficiencies in public accountability and financial reporting. Accountants are entrusted with the authority to ensure that an organization's financial activities are properly governed and monitored. More importantly, accountants have a fiduciary duty to uphold ethical conduct, given the high level of trust placed in them by investors and creditors (Stanga & Turpen, 1991)

When accounting students, as future professional accountants, gain a comprehensive understanding of the dimensions of accounting, it is equally important for them to recognize that morality lies at the core of accounting practice. Accounting cannot be adequately understood as merely an instrumental or technical pursuit. Moral practice can be defined as actions or inactions that have an impact on others, both in the present and in the future. Such practices help shape the moral framework of organizations and society, which in turn influences both individual and organizational behavior. (Carnegie et al., 2021) As future practitioners in the field, accounting students' current attitudes are likely to be reflected in their future conduct in the business world (Ludlum & Moskaloinov, 2005), those who will employ accounting graduates are increasingly concerned with their ethical orientation, particularly in light of recent accounting scandals. In response to these growing concerns, business school researchers have incorporated ethics courses and developed functional models to better understand individuals' ethical judgment (EJ)(Johari et al., 2018)

The most widely recognized definition of emotional intelligence (EI) is that of (Salovey & Mayer, 1990) who defined it as "a subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions." EI significantly influences subsequent decision-making actions. These actions are typically aligned with the decision-maker's internal motivations, rather than being driven by external pressures. Judgments of what is right or wrong, appropriate or inappropriate are closely tied to one's level of EI. Fundamentally, an individual's ability to assess whether an action is ethical is shaped by their EI.

However, the importance of EI extends beyond job performance alone. A number of studies have explored the interaction between EI and leadership capabilities. Self-efficacy (SE) is defined as an individual's belief in their ability to successfully complete tasks and achieve desired goals. Individuals with high SE are confident in their capacity to perform specific tasks effectively. (Hameli & Ordun, 2022). In contrast, individuals with low SE tend to question their ability to carry out particular tasks (Griffin et al., 2020). In today's professional environment, it is evident that all fields of work require the application of sound accounting practices. Accountants must possess leadership skills and remain focused on achieving organizational goals. Furthermore, it is expected that all accountants, in addition to developing their technical competencies, also cultivate strong interpersonal and leadership abilities.

Eastern Indonesia is a region with significant potential for accelerated development, although it remains underutilized due to limited resources. However, with future regional expansion, economic growth in this area—particularly in Eastern Indonesia—is expected to increase. To ensure sustainable and high-quality economic development, the preparation of a professional workforce is essential. Among the key contributors to the advancement of newly developed regions are accountants. Future accountants will play a vital role in supporting the achievement of organizational goals. It is therefore important to investigate the factors that influence the EJ of accounting students, as they represent the future accountants and decision-makers. This study aims to examine the influence of emotional intelligence and self-efficacy on the ethical judgment of accounting students, who are expected to become competent and ethical professional accountants in the future.

LITERATURE REVIEW

Emotional Intelligence and Ethical Judgment

EI refers to an individual's ability to understand and interpret their surrounding environment. Behaviors exhibited by individuals must be properly regulated and managed to avoid causing harm to oneself or others. High EI facilitates the ability to evaluate whether an action or event is good or bad. Strong self-regulation supports the formation of sound EJ. It is expected that individuals with high EI are more likely to demonstrate strong ethical decision-making. Based on social cognitive theory, EI is explained as a personal affective ability that can influence individuals in assessing whether an event is ethical or not. This relationship has been empirically supported by prior research. (Dangmei & Singh, 2017) conducted a study on 73 BBA and MBA students in India and found that EI significantly impacts EJ. (Hopkins & Deepa, 2018) observed the influence of EI on EJ in a sample of 100 MBA students from the USA and India. (Shafaei Qarekushan et al., 2024) found a positive relationship between EI and EJ among 385 certified public accountants (CPAs). Based on the aforementioned literature, this study posits that EI influences EJ.

H1: Emotional intelligence has a positive effect on ethical judgment

Self-Efficacy and Ethical Judgment

An individual's level of SE affects how they approach tasks, goals, and new challenges. Individuals with high SE are more likely to take on difficult tasks and persevere in the face of adversity, whereas those with low SE tend to avoid complex situations and challenges (Stenmark et al., 2021). Distinctions in SE influence one's perspective on various issues, including EJ, and can shape attitudes and decision-making processes. Social cognitive theory reveals that SE is a personal cognitive belief that influences an individual's belief in acting according to an ethical assessment of whether or not an event is ethical. Previous studies have examined this relationship. (Chang et al., 2019) found that SE influenced EJ in a sample of 331 high school students in Taiwan. (Stenmark et al., 2021) identified a significant impact of SE on EJ. (Liu et al., 2022) further validated these findings, reaffirming the influence of SE on ethical decision-making. Based on this body of research, the present study concludes that SE has effect on EJ.

H2: Self-efficacy has a positive effect on ethical judgment

RESEARCH METHOD

In conducting this study, a questionnaire survey was employed to examine the influence of EI and SE on the EJ of future accountants in Eastern Indonesia. The questionnaires were distributed via a Google Forms link. The use of this platform was chosen due to its accessibility for respondents located far from the research site and its efficiency in expediting the data

collection process. The EJ questionnaire was adapted from (Ismail & Rasheed, 2019) consisting of six statement-based scenarios. These six vignettes assess accounting students' EJ based on their responses to ethical dilemmas. For each scenario, respondents were asked to indicate their level of acceptance using a five-point Likert scale (1 meaning "always acceptable" and 5 meaning "never acceptable"). Accordingly, higher scores indicate lower acceptance of the ethical scenarios. A score of five reflects strong disapproval or rejection of the action, while a score of one indicates full acceptance of the action. The research sampling technique used a convenience approach, which was based on student preferences as responses in this study. This sampling process resulted in 116 respondents who could be used for further processing to determine the results of this study. The research data was processed using SPSS with multiple linear regressions testing to test the proposed hypotheses.

The EI and SE questionnaires were adopted from (Hameli & Ordun, 2022) consisting of 16 and 23 items, respectively. EI was assessed using the EI scale developed by Wong & Law (2002). This is a 16-item scale encompassing four dimensions: self-emotion appraisal, others' emotion appraisal, use of emotion, and regulation of emotion. SE was measured using a 23-item scale that includes two dimensions: general SE and social SE. Respondents were asked to evaluate each item using a five-point Likert scale, ranging from 1 ("strongly disagree") to 5 ("strongly agree").

Table 1. Operational Variables

Variable	Indicator	Measurement Scale
EI	1. Self-emotion appraisal 2. Others' emotion appraisal 3. Use of emotion 4. Regulation of emotiom	1 for "strongly disagree" to 5 for "strongly agree"
SE	1. General SE 2. Social SE	
EJ	Six scenarios measure accounting students' ethical judgments based on their responses to ethical dilemmas.	Scale 1 means "always acceptable" and 5 means "never acceptable"

Source: Processed Data, 2025

RESULTS AND DISCUSSIONS

Results

Normality Test

Table 2. Normality Test

		Unstandardized Residual
N		116
Normal Parameters(a,b)	Mean	,0000000
	Std. Deviation	5,77759111
Most Extreme Differences	Absolute	,091
	Positive	,046
	Negative	-,091
Kolmogorov-Smirnov Z		,977
Asymp. Sig. (2-tailed)		,295

a. Test distribution is Normal.

b. Calculated from data.

Source: SPSS Output, 2025

In this study, normality testing was carried out using the Kolmogorov-Smirnov test. The results obtained from the test in table 2 present a sig Kolmogorov Smirnov value of 0.295 so that it has met the normality requirements that exceed the sig value of 0.05.

Validity Test

Table 3. Validity Test of Emotional Intelligence Variable (X1)

Statement Items	R Table	R Count	Validity
X1_1	.1824	.562	Valid
X1_2	.1824	.551	
X1_3	.1824	.529	
X1_4	.1824	.625	
X1_5	.1824	.261	
X1_6	.1824	.431	
X1_7	.1824	.608	
X1_8	.1824	.452	
X1_9	.1824	.525	
X1_10	.1824	.505	
X1_11	.1824	.617	
X1_12	.1824	.487	
X1_13	.1824	.666	
X1_14	.1824	.599	
X1_15	.1824	.591	
X1_16	.1824	.658	

Source: SPSS Output, 2025

Table 4. Validity Test of Self-Efficacy Variable (X2)

Statement Items	R Table	R Count	Validity
X2_1	.1824	.230	Valid
X2_2	.1824	.427	
X2_3	.1824	.225	
X2_4	.1824	.555	
X2_5	.1824	.658	
X2_6	.1824	.477	
X2_7	.1824	.680	
X2_8	.1824	.257	
X2_9	.1824	.187	
X2_10	.1824	.600	
X2_11	.1824	.414	
X2_12	.1824	.497	
X2_13	.1824	.215	
X2_14	.1824	.606	
X2_15	.1824	.255	
X2_16	.1824	.522	
X2_17	.1824	.510	
X2_18	.1824	.453	
X2_19	.1824	.376	
X2_20	.1824	.331	

X2_21	.1824	.205
X2_22	.1824	.574
X2_23	.1824	.304

Source: SPSS Output, 2025

Table 5. Validity Test of Ethical Judgment Variable (Y)

Statement Items	R Table	R Count	Validity
Y_1	.1824	.836	Valid
Y_2	.1824	.787	
Y_3	.1824	.777	
Y_4	.1824	.789	
Y_5	.1824	.504	
Y_6	.1824	.824	

Source: SPSS Output, 2025

Based on Tables 3–5, each item statement for every variable has a calculated R-value greater than the critical R-table value. Therefore, it can be concluded that each statement demonstrates strong validity.

Reliability Test

Table 6 Reliability Test

Variable	Cronbach's Alpha
X1	,838
X2	,829
Y	,848

Source: SPSS Output, 2025

In this study, reliability was assessed using Cronbach's alpha, with each research instrument demonstrating an alpha value greater than 0.60. Specifically, the emotional intelligence variable yielded a Cronbach's alpha of 0.838, the self-efficacy variable scored 0.829, and the ethical judgment variable recorded an alpha of 0.84.

Hypothesis Testing

Table 7. Hypothesis Testing

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	31,048	6,852		4,532	,000
	EI (X1)	,007	,079	,009	,093	,926
	SE (X2)	-,145	,065	-,205	-2,225	,028

Source: SPSS Output, 2025

Discussions

Based on the hypothesis testing results presented in Table 5, the emotional intelligence variable has a p-value of 0.926, which exceeds the 0.05 significance threshold. Therefore, the first hypothesis stating that "EI has a positive effect on EJ" is rejected. The results indicate that EI is not associated with the EJ of future accountants in Eastern Indonesia.

EI relates to an individual's ability to solve problems by utilizing their internal emotional awareness. However, when linked to EJ as the dependent variable in this study, the findings suggest that EI does not significantly influence ethical decision-making. The students, who served as respondents, appear to demonstrate that the ability to resolve issues is not necessarily connected to ethical considerations. Whether a decision is ethical or not may depend more on the underlying intentions rather than the individual's EI. While students may be capable of making sound decisions, they may not be fully aware of whether those decisions are ethically appropriate. EJ among accountants tends to rely more heavily on cognitive reasoning, technical knowledge, and adherence to professional codes of ethics rather than on emotional competencies. In the collectivist and kinship-oriented cultural context of Eastern Indonesia, certain aspects of EI—such as empathy—may be enhanced. However, ethical decision-making is more often guided by formal rules or established codes of ethics. These findings align with the study conducted by Dewanto & Nurhayati (2012) which showed that EI had no significant influence on the EJ of accounting students at STIE Muhammadiyah Pekalongan and Universitas Pekalongan. Similar results were reported by Wulandari et al., (2024) in their study of accounting students from the 2020 cohort at Institut Teknologi dan Sains Mandala Jember, Universitas Jember, and Universitas Muhammadiyah Jember, where EI was also found to have no effect on EJ.

The hypothesis testing results presented in Table 5 show that the SE variable has a p-value of 0.028, which is below the 0.05 significance level but demonstrates a negative direction. Therefore, the second hypothesis stating that "SE has a positive effect on EJ" is rejected. However, the findings reveal a significant negative effect, suggesting that higher levels of SE may lead to lower EJ. SE refers to an individual's belief in their ability to solve problems using their own capabilities. In this context, the ability to resolve issues independently may reduce the consideration of whether a decision is ethically right or wrong. The results imply that while students may confidently solve various problems using their personal skills, they may lack the capacity to critically assess the ethical implications of their decisions. This confidence may lead to a greater tolerance for risk, which in turn could result in unethical situations and disregard for established professional codes of conduct. One contributing factor may be the relatively limited industrial exposure in Eastern Indonesia compared to other regions, which restricts students' opportunities to observe and internalize ethical practices in real-world accounting environments. As a result, confident yet inexperienced decision-making may lead to ethical violations. These findings are consistent with the study by Sari & Susanti (2020) which also found a negative effect of SE on EJ among 100 accounting education students.

CONCLUSIONS AND SUGGESTIONS

Based on the hypothesis testing results discussed earlier, both proposed hypotheses were rejected. The first hypothesis, which stated that "EI has a positive effect on EJ," was rejected, indicating that EI does not significantly influence EJ. Similarly, the second hypothesis, which stated that "SE has a positive effect on EJ," was also rejected, with findings revealing that SE negatively EJ.

This study encountered certain limitations, particularly in terms of respondent adequacy. Although the respondents were accounting students with the potential to become future accountants in Eastern Indonesia, the sample was predominantly drawn from only two state universities—Pattimura University and Cenderawasih University—thus limiting the

generalizability of the findings. Apart from that, it is difficult to reach maximum response at other universities due to limited areas that are difficult to reach.

Nevertheless, the results of this study can serve as valuable insights for accounting academics in addressing students' EJ. During the learning process, lecturers may incorporate instructional strategies that enhance students' ability to make ethical evaluations. Additionally, students should be encouraged to recognize the importance of ethical judgment in their future professional environments, and to consider the ethical implications of decisions made in problem-solving contexts. Future research is recommended to involve a larger and more diverse sample size in order to better capture the actual conditions across Eastern Indonesia.

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