

# Analysis of Effect of Power Distance, Power Avoidance, Individualism, Masculinity and Time Orientation Toward Auditing Behavior with Mediation of Locus of Control

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**Abstract**

The occurrence of financial scandals have been concerned by many public accountants to provide more ethical awareness to work ethically. In the task of auditing, public accountants are often faced with ethical dilemmas caused auditing conflict. This study focused on the effect of locus of control and how public accountants and auditors aware the effect toward their auditing behavior. We used causal and descriptive research design to measure the effects of cultural, ethical behavior among accountants and auditors with moderation of locus of control. Our study results showed that, firstly, power distance between the auditors and accountants will affect their ethical behavior in the work. Secondly, the avoidance of uncertainty among the auditors will affect their ethical behavior toward accountants. Thirdly, the attitude of individualism among the auditors and accountants also will affect their ethical behavior in auditing tasks. The attitude of masculinity also impacted on their ethical behavior to fulfill the auditing tasks. Time orientation has more significant result which impacting their ethical behavior. Finally, Locus of control can strengthening the power distance and ethical conduct among accountants and auditors. This study contributed to expand the auditing knowledge and the factors that impact on their ethical behavior in auditing tasks.

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## I. INTRODUCTION

There are many scandals of accounting and auditing which impact on crisis of public confidence due to ethics violations in Indonesia and other countries. Finn, D. W., Munter, P., & McCaslin, T. E. (1994) reported that such ethics scandals have lowered the public trust in accounting profession due to public accountants have the opportunity to perform unethical actions. The ethics violations have raised questions about the cause of the violations and also the effort conducted by the concerned parties especially the accountants, auditors and government. Parker, L. D. (1994) argued that the loss of public trust and increased government interference are important which lead to higher control of the accounting profession.

The occurrence of such scandal, should give more attention to ethical awareness and control in performing accounting profession. As the abuse of financial information can harm to investors Hansen, D., Mowen, M., & Guan, L. (2007) the issues must get enough attention in order to reduce further unethical behavior in accounting practice. Therefore, understanding policy and measures are important steps to reduce manipulation that can harm others.

Indonesia also faced such problem. Some accounting and auditing scandals which become main public attention since 2001 have been reported by Indonesian Corruption Watch (ICW) which urged authorities to investigate nine

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public accounting firm (Holloway,2001). It was then supported by the reports of Financial and Development Supervisory Agency or Badan Pengawas Keuangan dan Pembangunan (BPKP). The Agency has reported that nine of ten top public accounting firms in Indonesia have conducted mismanaged audits which involving approximately 36 troubled banks did not conducted proper examination in accordance with auditing standards (Vanasco, 1998). The nine public accounting firms have violated the ethics of the auditing and accounting profession which impact on public trust toward the firm.

For private enterprise, it was occurred in the earning scandals as in the annual report of PT. Kimia Farma (Adhikara, 2011) where the enterprise management of Kimia Farma reported a net earnings of Rp 132 billion which oversized the true profit value of Rp 99.56 billion which increased to Rp 32.6 billion (24.7%) than original earnings. Other financial report scandal also occurred at the KPMG Siddharta (Siddharta & Harsono, 2001), which the case has been proved to bribe tax officials in Indonesia by issuing false invoices for professional fees to be paid by KPMG client of PT Easman Christensen, as a subsidiary of Baker Hughes Inc. listed on the New York Stock Exchange. Baker and KPMG almost suited into the Texas district court, but the case was eventually settled out of the court. Other case also occurred at Bank Lippo Rahim, D. (2013) with the discovery of three versions of financial statements by Bapepam. In addition, PT Kereta Api Indonesia Wardana, M. A., & Ariyanto, D. (2016) also has inaccurately reported a profit of Rp 6.1 billion which should have declared losses amounting to Rp. 63 billion. For smaller case, it has occurred between Raden Motor and Bank BRI Azis, N. A., Mangoting, Y., & Lutfillah, N. Q. (2015) which involving the public accountants when the disputed parties trying to obtain capital loan of Rp 52 billion from Bank BRI Jambi branch.

As further anticipation in 2007, the Ministry of Finance Sri Mulyani Indrawati has frozeed the license of Public Accountants Peter Mitra Winata of Public Accounting Firm. the firm has been blacklisted for two years for violations of the audit regulation on the case of Financial Statements of PT Muzatek Jaya financial year ended 31 December 2004 and the case of Panin Bank by manipulating the value of the credit. However such policy is considered inadequate to increase the internal control of the public accountants and auditors. The scandals of earnings showed a degraded quality of controls which indicated by lower neutrality among the accountants and auditors due to lower ability to prevent such violations.

How does such scandals can be occurred in the public accounting firm? In the assignment given by the client, public accountants are often faced with ethical dilemmas which caused conflict of interest. Therefore, how internal factors can be a controller for both accountants and auditors to not to be trapped in such conflict of interest? . E. Murwaningsari (2007) showed there are different perceptions among students, auditors and managers about the attitude and performance of the auditors that can cause a condition that is known as expectation gap. This expectation gap includes the important aspects of the auditing process and the auditor's responsibility, the causes that influence the auditor's performance, the auditor's integrity to his client and the auditor's attitude to his client

Chen, J. C., & Silverthorne, C. (2008) showed that there are individual and organizational factors that influence ethical behavior accountants and auditors which formed their locus of control (loc). Research by Jones, G. E., & Kavanagh, M. J. (1996) explained that individuals with an internal LOC tend to behave ethically than individuals with an external loc. In addition, Locus of control assist public accountants and auditors to confront the challenged working environment and complete their long time tasks. However, Ajzen, I. (2002) argued that Locus of control is a personality characteristic that describes the level of a person's beliefs about the how they can control individual factors, but not organizational factors Lefcourt, H. M. (2014) basically, someone who believes the success or failure that happened to be in their hand control is said to have internal locus of control. On the other hand, someone who believe the success or failure they experienced is determined by external factors (beyond their control) is said to have external locus of control (Pfeffer, J., & Salancik, 2003).

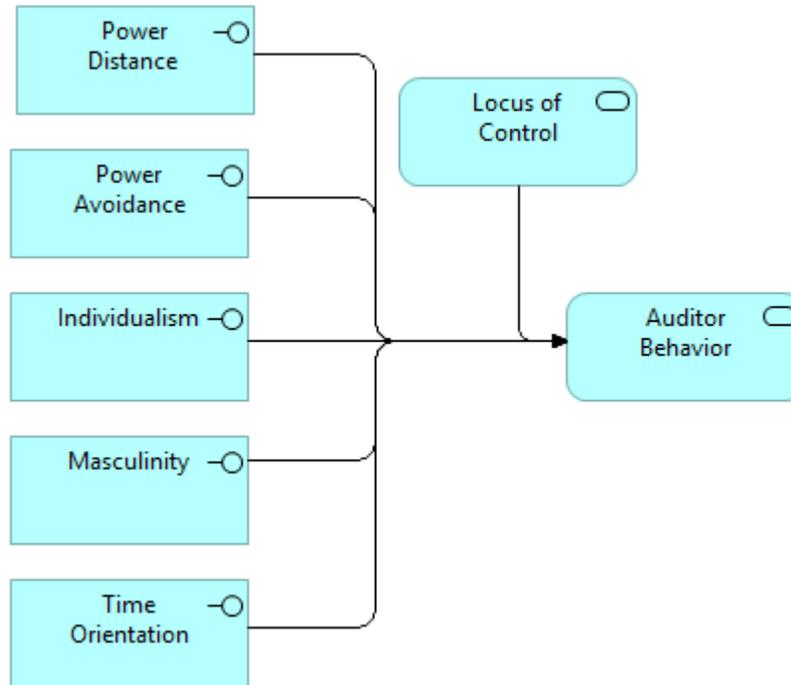
## II. RELATED WORKS/LITERATURE REVIEW (OPTIONAL)

Earnings quality is defined as the rate of profit to reflect the true economic impact of a transaction. Earnings quality is a multidimensional concept that can be viewed from different angles. Earnings quality is said to be correct if it meets several indicators of ability, neutrality, served in a timely manner, honestly presented, and promoting the principle of conservatism. Earnings quality related to the usefulness of accounting information for users of financial statements (Ball, R., & Shivakumar, 2005). Earnings quality is distinguished based on information that 'superior' (more useful) Schipper, K., & Vincent, L. (2003) and 'inferior' (less useful). Financial information must have certain qualitative characteristics to be more helpful which measured by using the conceptual framework of IFRS and IAS Whittington, G. (2008) It required that financial information must have some qualities such as: (i) understandable; (ii) relevant; (iii) reliable; and (iv) comparable. Herrmann, et al., (2006) relevant information has predictive value,

feedback value, and timeliness. In addition to the relevance, it needs reliable accounting information to be verified with honest reporting and neutrality Stolowy, H., & Lebas, M. (2006) such reporting provides information to investors and creditors to predict the amount, timing and certainty of cash flows that can be given by the company in the future.

### Research framework

Analysis of effect of power distance, power avoidance, individualism, masculinity and time orientation toward auditing behavior with mediation of locus of control



In managerial power distance, it has impact on how the company presented their financial report statement to measure the success of the operations of a company for a specific time period. In addition, it is a tool for management to measure the company performance and management. Given the importance of the financial report in the valuation of performance, it drives managers in selecting methods and accounting estimates and the reported earning in their financial report. Such power distance is influenced by the accountant power avoidance and individualism in the company. In addition, their masculinity and time orientation also bring effects to the neutrality in the reporting quality. Therefore, to understand the effect of power distance, Power Avoidance, Individualism, Masculinity and time orientation, it is proposed Hypothesis H1: Power distance influences positively on Accountants and Auditors Behavior

In traditional communities, they tend to avoid high uncertainty risk. It means that sometimes they are not ready for a change which they requires a lot of rules that will guide their lives to control the behavior (Hofstede, 2005). According to Ericson, R. V., & Haggerty, K. D. (1997) the condition of the dependence of society with such rule will create a society that relies heavily on government rules and incompetent parties to solve their own problems, so it will create a society that is not professional and lack of autonomy of control. In other hand, professionalism tend to be nurtured in society with higher autonomy and willingness to face the risk because in this environment, more pleased with minimal rules, and consideration of different professionals can be tolerated.

Douppnik, T. S. (2008) investigated the influence of national culture on earnings management in 31 countries, with the research results are negative relationship between uncertainty behavior with earnings management. Patel, Harrison and McKinnon (2002) examined the influence of culture on accountants in Australia, Indian and Malaysia in resolving conflict between the auditors and the client.

Lin and Fraser (2008) examined the ability of perception of auditors in dealing with clients in China and the UK. They used cultural differences to explain the perception of auditors in each country. Other studies suggested that the national cross-cultural differences impact indirectly on the behavior of professional audit and disrupt efforts to provide seamless service (Cooper, 2000);. Mennicken, 2008). Cultural practices that have the most significant

impact on the behavior of a professional auditors is Collectivism, Proximity of power and Uncertainty Avoidance (Doupnik, T. S., & Riccio, 2006).

Individuals with high uncertainty avoidance cultures tend to be more rigid and dogmatic. They are threatened by the uncertain situation, is felt by the full risk and the perceived tension must be reduced. Cultures with high uncertainty avoidance may rely on mechanisms such as regulation, custom, law, and religion in the pursuit of security (Hofstede, G., & Bond, 1988). In addition, a person with high uncertainty avoidance tend to be afraid of something threatening or uncertain, and will result in tension (Hofstede, 2005). Therefore, we proposed Hypothesis H2: uncertainty avoidance influence positively on Accountants and auditors behavior.

People tend to individual, usually the people in developed countries (Hofstede, 2005). Individual communities would try to reach its own, and will create a professional community. So it is assumed that the individuals and community will be more professional in their work. Doupink (2008) investigated the influence of national culture on earnings management in 31 countries, with the results of a positive relationship between individualism with earnings management. And there is a negative relationship between uncertainty with earnings management. However, implementation of governance has shaped the form of earnings management even though in country with high level of collectivism will affect the behavior of professionalism and transparency in accounting practices. Therefore, we proposed Hypothesis H3: Individualism positive or negative influence on the behavior of accountants / auditors.

Communities with high levels of masculinity which dominated by men, will be more willing to take risks and more speculative (Hofstede, 2005). Communities that have a high degree of masculinity would result in lower levels of conservatism.

In Indonesia, the dominant dimension of femininity someone will behave impulsively in doing something to get the stuff that is believed to provide a memorable impression, prestige and outward appearance. Getting something especially goods that gives a different impression as well as goods with famous brands will make someone to take more risk and impulsive.

Contrarily, for individuals who are in the masculine dimension, they can develop high level of control and expected to have a tendency to behave non ethical if they are in low capacity and resources. As mentioned by Hofstede (2005) that money, success, and achievement is important. For them the material benefits are the motivation for them to perform an act of non-ethical if they are in the position of low capacity and resources even though different impression is not important to them. Following Hofstede, we proposed Hypothesis 4: Masculinity positive or negative influence on the behavior of accountants / auditors.

Hofstede (2005) used the survey Asian cultural values to develop Time Orientation Index. The survey indicated a relationship between the orientation of a long period with the countries that embrace ethical conduct especially related to finance and asset management. Such behavior may result in the community with a conservative style in doing things and prefers long-term results. Hypothesis 5: Time Orientation has positive effect on ethical conduct among accountants and auditors.

### **Locus of control and culture**

In a previous study (Smith, P. B., Trompenaars, F., & Dugan, 1995) Loc has relationship with culture. Accountants with a more collectivist culture can control the primary and secondary control over themselves than accountants with individualist culture. The primary control refers to when an accountants and auditor have effort to control their environment through direct intervention, while the secondary control occurs when they controlling the environment in harmony. Further study by McCarty, J. A., & Shrum, L. J. (2001) observed that the behavior of someone who is individualistic more stable than someone who is collectivist.

In this study it will examine the relationship between locus of control with the ethical behavior of accountants and auditors. The relationship is based on the theory of coping (Lazarus and Folkam, 1984) which stated that the strategy chosen by individuals to cope with the problem would be affected by their beliefs and ability to exercise control over the cause of problems.

Because the locus of control is the individual characteristics that influence accountants beliefs, then the locus of control can influence the accountant and auditors behavior. The psychological studies by Ajzen, I. (2002) showed that locus of control could influence the prevention strategy to manage routine problems and stress. For example, a study evaluating the effect of locus of control on coping strategies indicated individuals who have an internal locus of control as the state looked stressors that can be controlled, and they tend to use coping strategies (Hahn, 2000).

The above explanation support the Bonner, S. E. (1990) idea that auditors can perform better when they exposed to ethical culture and finally reshape their perspective on internal locus of control to exercise control over their conflict of interest in the duty. Chiu, R. K. (2003) argued that individuals with an external locus of control are more likely to commit unethical behavior than individuals with an internal locus of control. This proposition is based for individuals with an internal locus of control believe that success or failure they face the consequences of action and

effort to control the behavior deviation. On the other hand, individuals with external locus of control do not view the risk which can hinder their success.

Other study Lefcourt, H. M. (2014) revealed that individuals with an internal locus of control have a higher commitment to carry out difficult tasks than the external locus of control. This indicated that accountants and auditors with internal locus of control will have a higher motivation to implement the audit program. In accordance with these studies, it formulated hypothesis H6: Locus of control strengthening the influence of culture on the ethical behavior of accountants / auditors

### III. METHODS

The research design used in this study is causal and descriptive research design. Causal research design was used to measure the relationship between cultural, ethical behavior of accountants, with moderation locus of control, Meanwhile, descriptive study design is used to describe and explain the variables that were analyzed and their relationship and dependency in subgroups level.

The target population of this research is the management accountants in large companies and auditors working in Public Accounting Firm including their Affiliates and Non-Affiliates in Jakarta Indonesia. The unit of analysis is the individual at all levels of management of the firms and their auditors, eg, junior, senior, supervisors, managers, and partners.

Table 1: Respondents Sampling

No	Description	Number of respondents
1	Public Accountants	126 people
2	Management Accountants	74 people
	Total	200 people

Source: distributed questionnaire

Through the questionnaire, it obtained respondent data including gender, age, education, past work experience, number of employees and code of conduct. The classification is done against the respondents in this study aims to determine clearly the respondents situation. For the research object, it will identify the respondents by age which listed in table 2.

Table 2. Respondent characteristic

Respondent	Total	
	People	%
Gender		
• Male	129	64,5%
• Female	71	35,5%
Work experience		
• < 5 years old	45	22,5%
• 5-14 years old	28	14%
• 15-24 years old	80	40%
• 25-35 years old	35	17,5%
• >35 years old	12	6%
Age		
• <25 years old	24	12%
• 25-34 years old	34	17%
• 35-44 years old	98	49%
• 45-54 years old	34	17%
• > 50 years old	10	5%
Educational background		
• SMA	23	11,5 %
• D3	8	4 %
• Akt Professional Education	4	2%
• S1	92	46 %
• Master	46	23 %
• Doctorate	27	13,5 %

The SEM approach has been used in this study. The analysis of the data processing at the stage of full SEM model has been conducted to test the model suitability and the statistical tests. The testing results of goodness-of-fit model are described in Table 3.

Tabel.3 testing result of Goodness-of-fit model

No	Index	Critical Value	Result	Model Evaluation
1	Chi-Square	0.000	114.005	Not fit
2	Probability level	$\geq 0,05$	0,000	Not fit
3	CMIN/DF	$\leq 5.00$	3.324	Fit
4	CFI	$\geq 0,90$	0.948	Fit
5	RMSEA	$\leq 0,08$	0.078	Fit
6	TLI	$\geq 0,90$	0.914	Fit
7	GFI	$\geq 0,90$	0.927	Fit
8	AGFI	$\geq 0,90$	0.785	Marginal

Source: Statistical testing results (2016)

Based on the test results, the values CMIN / DF, CFI, RMSEA, TLI, and GFI have and the values most appropriate. This means that the proposed model is considered quite good and can be accepted as standardized model in this study. Our test result showed that chi squared calculation results has value of 114 005 with 0.000 significance level. It means that there is no difference between the sample with the population. It can also be said that the difference between the sample populations were small and not significant. Basically, RMSEA for standardized model must be  $\leq 0.08$ . RMSEA value resulting from our calculation is 0,000. It means that our study meets the conditions. Although the value of AGFI is the marginal value, but according to Hair et al., (1998: 623), the value CMIN / DF, CFI, RMSEA, TLI, and GFI close to recommended value, then the model is still worth to use.

Table.4 SEM Test Results

Variables/relations		Standardized coefficients	C.R.
<b>Power_Distance</b>	PODI1	6.815	5.391
	PODI2	4.473	5.557
	PODI3	6.520	5.368
	PODI4	6.197	5.612
	PODI5	4.750	5.579
	PODI6	6.815	1.000
<b>Uncertainty_avoidance</b>	UNAV1	5.930	3.573
	UNAV2	5.790	3.690
	UNAV3	9.073	3.647
	UNAV4	4.268	3.653
	UNAV5	4.628	3.696
	UNAV6	4.061	1.000
<b>Collectism</b>	COLLIN1	5.284	13.119
	COLLIN2	6.542	12.026
	COLLIN3	4.884	12.029
	COLLIN4	4.087	12.945
	COLLIN5	4.471	7.276
	COLLIN6	4.885	1.000
<b>Time_Orientation</b>	TIMOR1	4.385	9.684
	TIMOR2	7.941	8.569
	TIMOR3	5.726	14.181
	TIMOR4	5.484	10.775
	TIMOR5	4.153	13.218
	TIMOR6	4.077	1.000
<b>Locus of control</b>	LOCO1	4.897	9.227

	LOCO2	6.413	8.841
	LOCO3	5.374	7.717
	LOCO4	4.993	9.511
	LOCO5	4.921	1.000
<b>Perilaku_Auditor</b>	KOE1	4.942	7.898
	KOE2	8.704	10.676
	KOE3	5.578	9.855
	KOE4	4.783	9.004
	KOE5	9.158	10.368
	KOE6	5.041	8.739
	KOE7	4.289	6.139
	KOE8	8.253	8.614
	KOE9	5.131	1.000
<b>Path</b>			
	<b>Power_Distance toward Behavior_Auditor</b>	0.68	6.559
	<b>Uncertainty_avoidance toward Behavior_Auditor</b>	0.56	4.573
	<b>Collectism toward Behavior_Auditor</b>	0.54	3.334
	<b>Time_Orientation toward Behavior_Auditor</b>	0.76	4.169

Source: SEM test result (2016)

Table 5. Locus of control Moderation variables

<b>Cultural behavior</b>	<b>variable→auditor</b>	<b>Weakening</b>	<b>Strengthen</b>	<b>Significance test (&lt;1.96)</b>
<b>Correlation coefficient R (N)</b>		0.467 (40)	0.841 (160)	
<b>Z-transformation coefficient</b>		0.779	0.822	2.169

Note: declare that the coefficient is significant at the 0.001 or above. The critical value for Z 1.96 to p. 0.05

This section is intended to test whether the locus of control will affect the relationship between accounting culture and auditing behavior. The construct of locus of control is measured with a scale of 0-1 and testing using cluster analysis to divide respondents into two groups according to their type of locus of control. From 200 respondents, 160 respondents have high locus of control and the rest are lower locus of control.

To verify the moderating effects of locus of control, the correlation coefficient between cultural variables are measured toward the auditors behavior. This is also measured toward accountant culture which tested with a simple regression. From the test results, it indicated R coefficient for a high locus of control is 0.841 whereas the low locus of control is 0.467. The R coefficient are then compared to the statistical test of Fisher Z-transformation. The Z value gained a range from 0.779 to 0.822. Since Fisher Z-score is higher than R coefficient, it means that our testing result is not significantly different at the level of a significant 95% (Rosenthal, 1991). The result means that these data provide strong evidence that the locus of control has moderating effect on accountants behavior and auditors culture

#### IV. RESULTS

We have tested hypothesis H1 about the relationship of power distance and ethical behavior among accountants and auditors.

It is evident that the power distance of the auditors affects the ethical behavior of public accountants and auditors in their workplace. The impact is positive, meaning that if the power distance between the communities and the auditors are wider, then, it will create an environment where resources and expertise are controlled by a single party with lack of control from authorities. This is supported by Lipset, S. M., & Lenz, G. S. (2000) that in a country with high cultural influence, the behavior of insiders will be dominant which impact on mismanagement and lower ethical behavior. Countries with high levels of low power distance will result into higher collectivism and lower earning quality. As tested above, it is similar to OECD report that Indonesia has implemented the concept of corporate governance as a substitute on the low level of investor protection. However, the implementation of governance is not running properly because Indonesia has a high power distance and collectivism that affect the accountants professionalism and auditing transparency in accounting practices.

The testing results of hypothesis H2 has proved that the uncertainty avoidance conducted by the auditors will affect the accountants ethical behavior in their work. This effect was negative, meaning that a higher uncertainty avoidance will reduce the auditors professionalism. This is supported by Hendon, et al., (1996) that individuals with

high uncertainty avoidance cultures tend to be more rigid and dogmatic. They are threatened by the uncertain situation which felt by high risk and tension. Cultures with high uncertainty avoidance may rely on mechanisms such as regulation, custom, law, and religion to maintain public security despite individual awareness and personal control. A person with high uncertainty avoidance tend to be afraid of something which threatening or uncertaining which result in tension (Checton, 2010).

The testing result of hypothesis H3 also showed that individualism attitude among the accountants and auditors will affect their ethical behavior in the workplace. The impact is positive, meaning that if auditors individualism will impact the accountants professionalism. A higher individualism means stronger professionalism. This is supported by Hofstede, (1980, 2005). that people with high individualism would feel more autonomous to work with their competence and the responsibility become more personal and individual than rely on organization or social networking decision-making. Furthermore, these individuals will further demonstrate its capabilities to their community and more willing to take risks, which impact on lower conservatism (Hofstede, 1980, 2005).

We also tested hypothesis H4 that masculinity is interconnected with auditors attitude and affect the ethical behavior among accountants and auditors in our sampling. This effect was negative, meaning that a higher auditors masculinity will be lower work ethic. It is supported by Cohen, et al., (1998) that there is differences in ethical behavior among accountants and auditors in public accounting firms in our sampling. However, Franke, et al., (1997) argued that gender did not cause a significant difference in ethical behavior between men and women, but there are other significant factors which impact the ethical behavior among junior and senior auditors as junior auditors tend to behave ethically better than the senior auditors. Meanwhile, Markert, L. R. (1996) stated that the community which dominated by men will tend to be more forthright and demonstrate its success to others. So it is assumed that the more masculine society, the lower the level of confidentiality (Gray, 1988). Indonesia is a country with a high level of masculinity, where people are still dominated by men decision making. However, the results showed that masculinity in Indonesia showed a downward trend as indicated by the lower gap between men and women in employment or education. According to Sudarwan, M., & Fogarty, T. J. (1996) then accounting practices in Indonesia will tend to be conservative and open. However, it is argued by Gray, S. J. (1988) that masculinity in Indonesia did not have any impact on the accounting practices in Indonesia.

We also found positive impact for the tested Hypothesis H5. It is proven that the orientation time of auditors will affect the ethical behavior of accountants. The impact is positive, meaning that if the time orientation of auditors is high, the higher work ethics conducted by auditors. It is supported by Lipset, S. M., & Lenz, G. S. (2000) that the value of time orientation is not a of significant factor since there are other factors such as culture and education background which bring additional effect which not studied here. For Indonesian context our study did not include the value of time orientation in our hypothesis. However, the results showed that the dimension of time orientation has significant value with a rising trend, although in general the people of Indonesia are still short-term oriented.

Research by Lefcourt, H. M. (2014) showed that Influence of locus of control on ethical behavior is significant. It is supported by Ajzen, I. (2002) which stated that the Auditors external locus of control lead to certain degree of audits dysfunctional conduct than the auditors who has internal locus of control. It is argued by Ajzen, I. (2002). that the power distance affects only the conservatism and uniformity with positive direction. It is reasonable since Indonesia has implemented the concept of corporate governance to improve investor protection. However, implementation of governance is not running properly because Indonesia has a power level of a high distance and collectivism that affect the accountants and auditors behavior.

## V. CONCLUSIONS

Based on the above analysis and discussion it is concluded that:

The power distance among the accountants and auditors will affect the ethical behavior practiced in the public accounting firms especially in our sampling. Our analysis result found that the impact is positive, meaning that if the power distance are increased with a reasonable power range, it will create an environment where resources and expertise are controlled by unbalanced control from powerful parties. However, our study lack of time and resources to expand the role of the parties especially the authorities involved in this role.

In addition, our analysis result also found that the uncertainty avoidance has been practiced by the accountants and auditors that potentially can affect stronger toward ethical behavior among the respondents. Even though this effect was negative, it establish our assumption that higher uncertainty avoidance between accountants and auditors will establish weaker professionalism.

For individualism and professionalism it has high effect toward the ethical behavior among accountants and auditors. Even though the impacts is positive, however, there are other factors such as neutrality and collectivism

which we do not analyze further since lack of data. It can bring biased result toward the role of accountants and auditors in their work.

As auditors masculinity tends to be high and consequential equation to the related work ethics among accountants and auditors, we find that the results of hypothesis testing H4 about accountants masculinity and auditors attitude will affect their ethical behavior of in the public accounting firm.

The ethical behavior of public accountants and auditors in our study are presented from the perspective of time orientation. The impact is positive, meaning that if the orientation of auditors time high, the higher work ethics of accounting and auditors.

For ethical conduct among accountants and auditors in the workplace, especially in Jakarta still characterized by a wide range of power distance.

We find that the locus of control is strengthening power distance due to interpersonal influence between superiors and subordinates which means the authorities and the people have taken unbalanced role in shaping the power distance

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