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ROLE OF BUSINESS ETHICS EDUCATION FOR YOUNG ENTREPRENEURS: 
A CASE STUDY OF STUDENT IN ACCOUNTING DEPARTMENT 
CIPUTRA UNIVERSITY

Maria Assumpta Evi Marlina

Universitas Ciputra, Surabaya

email: emariina@ciputra.ac.id

Abstract

In facing the MEA at the end of 2015, Indonesian workforce have to improve the quality and professionalism in order to compete. Business ethics is necessary in managing a business, especially for the era of global markets. Nowadays many fraudulent practices occurred, that makes business ethics became important taught to students. Business ethics education should be taught to improve the quality of the workforce. Accounting Department Ciputra University integrated accounting with entrepreneurship. Student studying accounting integrated with entrepreneurship. Students implement knowledge directly into projects business since the beginning of the semester. Business ethics is also taught in the Accounting Department. The purpose of business ethics education is students have a good business ethics when they becoming entrepreneurs and intrapreneurs.

The purpose of this study is to explore in depth of the role of business ethics education for young entrepreneur in Accounting Department Ciputra University. The method used in this research is descriptive qualitative paradigm with case study approach. The result of this study shows that the business ethics education have big role for students as young entrepreneur.

Keywords: Business ethics, education, entrepreneur, fraud.
RESEARCH BACKGROUND

ASEAN Economic Community (AEC) would be started on the end of 2015. The agenda have been agreed by the leaders of ASEAN countries. In consequence, Indonesia as one of the ASEAN members should be ready to compete in the free trade. The companies should be able to prepare products or services that have quality and competitive. The company is not only important to prepare products or services, but it should be supported by the quality of human resources. Companies should be able to increase their competitive advantage in terms of human resources. Professional human resources generated by good human resources management system. Thus, for the company able to increase the competitiveness, the company shall be fully supported by professional human resources.

Large number of workers in Indonesia is an advantage in terms of demographics. According to the data of Indonesian Statistic Central Bureau, until August 2013, number of Indonesian workforce amounted to 118.19 million people. This means that the availability of workforce could support the progress of companies which compete in the MEA. Indonesian workforce would be in direct competition with the workforce of all the members of ASEAN. Workforce, who does not have high professionalism, would be eliminated from the job which is available in the free trade. Even the workforce have specialized professions, such as accountants, doctors, nurses, and lawyers, would be in direct competition with the same professional workforce of the ASEAN members. There were still open unemployment of 6.25% of the total workforce is weakness of the large number of workforce. Unemployment might be caused by the quality of the workforce that less good.

According to research conducted by The Institute of Chartered Accountants in England and Wales (ICAEW) (Akuntan Indonesia July-August 2014 p.10), a key factor for improving the quality of Indonesia's economic growth is investment in education and skills. Hence, the Indonesian government needs to increase investment in advanced higher education. Through these investments, human resource expertise would be growing and qualified so it can compete in the free market. The quality of human resources played an important role in the success of the development of a country. Indonesian welfare can be achieved quickly if its human resources have the quality and competitiveness. Daniri (Akuntan Indonesia July August p.19) agrees with the results of research conducted by the ICAEW. He told that until 2014, there is still a lot corruption occurs were hampered the development of Indonesian welfare. This indicates that the quality of Indonesian human resources are still lack of professional and implementation of good governance were still low. According to Arif Budimanta (Akuntan Indonesia July August 2014),
the problem of governance in Indonesia was characterized in three ways. The three things are ethics, norms, and values. If the human resources that are reliable have ethics, norms, and a good value, they would be able to compete in the era of free trade.

Ethics of Pancasila was formulated by Franz Magnis Suseno (Proceedings of the UPH 2012) into five guidelines. First, there should be no pressure, threat, compulsion in religious matters. Second, under any circumstances "we" (Indonesian people) should act civilized. Third, we go forward and we move forward together. Fourth, let succeed our democracy. Fifth, let us heed the poor and the weak in order to live humanely. Ethics should be taught the nation returned to the people of Indonesia in general and to the younger generation in particular.

Edy Wiyono (Akuntan Indonesia October-November 2014) said that future generation of a nation generated by education, and the progress of civilization determined by the success of the education system. The most fundamental thing that needs to be taught to the younger generation was manner and attitude. So, the younger generation could build up their nation.

Joko Widodo, the President of Indonesia, said that mental revolution needed by Indonesia to build the nation. Supelli (www.megawatiinstitute.org) told that the mental revolution could start from the education at school. Education directed to the transformation of the discursive knowledge into practical knowledge. So, the students could experience and implementing directly. Mental revolution in the educational process was to create honesty and other virtues became a spiritual disposition when students are dealing with a concrete situation. For example, students would not be doing the dishonest at the time of the exam, because honesty is inherent in them.

Based on some of these opinions, learning about business ethics becomes important to be delivered to the students. According Ciputra (Wahyudi, 2012), one of the characteristics of entrepreneur is high ethical standard. Accounting education integrated with entrepreneurship education is taught in Accounting Department Ciputra University. Business ethics education is one of the subjects that are taught in the department. The learning objectives are the application of the concepts of business ethics from the beginning. So since start-up business projects, the concept could be directly applied by the students. Hopefully, the graduates of the Accounting Department have good business ethics. After graduation, business ethics could be applied when they become entrepreneurs, or when they become intrapreneur.

The progress of the environment would be considered in advance by someone who has the entrepreneurial spirit. And the success is a bonus from the persistence in advancing the environment. As an entrepreneur or intrapreneurs, good governance could be implemented by...
young people who have high ethical standard characters. Fraudulent practices, such as corruption, mark up, and bribes could be reduced with the implementation of good governance. The role of business ethics education for young entrepreneurs in the Accounting Department of Ciputra University explored in depth in this study.

LITERATURE REVIEW

In general, the main challenge in managing the organization are globalization, increasing workforce diversity, and emerging employment relationships (McShane, Olekalns & Travaglione, 2010). Globalization refers to economic, social, and cultural connectivity with people in other parts of the world. First: globalization. Nowadays, the connections between companies greatly facilitated. Connections are no longer limited by distance and time. They could communicate anytime and anywhere. The need is greatly facilitated by emerging technology. Many advantages would be obtained if the organization were able to take advantage of globalization effectively. Organization facilitated by globalization in terms of cost savings, market expansion without limits, and ease of access to knowledge and innovation.

Second: increasing workforce diversity. Indonesia has advantages in terms of cultural diversity. It affects the diversity of cultural backgrounds workforce. The background also affects the psychological characteristics, faiths, values and norms of each workforce. Indonesian workers are accustomed cooperate with other workers of different cultural backgrounds. That difference makes an organization strong. Therefore, in the era of globalization and free trade, they would have no difficulty adapting to the workers from other countries as a partner.

Third: emerging employment relationships. Globalization and the emergence of workforce diversity, along with technological developments, are creating significant changes in the employment relationship. Nowadays, workforce is very possible to do virtual work, especially for professions that do not have to be in office at any time. They are even possible to work in their homes without reducing the quality of their work. The condition are able to save costs and able to reduce the stress workforce. Through these explanations could be concluded that workforce (human resources) is an important asset for the organization or company. Salaries, facilities, motivation, stress management, and awards need to be considered for the welfare of workforce.

Ethics is a normative discipline (Hartman, 2011). Ethics related to the norms and standards of appropriate behavior and right. Some disciplines gather the values to establish norms of behavior appropriate in every field. For examples, are in the fields of accounting, law, medicine, economics, and politics. Hartman argued that there are two important elements in
ethical values. First, ethical values aim to achieve human welfare. Actions and options that aim to improve human welfare are deeds and choices based on ethical values. Second, welfare which is enhanced by ethical values is not the welfare of a personal nature and selfish. Ethical values are fairly welfare enhanced by beliefs and principles.

Business and professional ethics is one of key success of an organization. A business would be very successful when managed using the mechanisms of governance and accountability which is focus on a different and broader set of fiduciary relationships than in the past (Brooks, 2008). Ethics within the scope of governance and finance are the most obvious issues in business ethics. One example of the failure of the implementation of governance is corruption. Suitability rules that run by businessmen in the market, guarantee by several important professions, such as auditors, accountants, financial analysts, and lawyers. The participants in the market as investors, board of directors, bankers, and management professions dependent on them in making decisions. Hartman (2011) said that the conflict of interest could occur when a person which has the authority to pass judgment on behalf of another party. But their personal interests contradictory to the interests of the other party. It can also arise when ethical responsibilities of a person in his professional duties to collide with private interests.

Professional accountants have a close relationship with the governance framework. Professional accountants have to comply with professional values, associated with objectivity, integrity, and confidentiality. These values are designed to protect the basic rights of the public. Professional accountant should ensure that their ethical values in accordance with the standards of ethical values that have been set. So they are ready to act in which best suit their role to maintain the credibility, and support for the profession. Professional accountants should understand the basic problems that occur to be used as the basis for the fulfillment of their role as a fiduciary and experts in accountability and governance.
RESEARCH METHODS

This study used descriptive qualitative method (Kuncoro, 2009). Methods of data collection used in-depth interview (Ritchie, Lewis, 2009) and observation. This research conducted on five young entrepreneurs from the Accounting Department of Ciputra University. Observation in this study conducted over two semesters. The researcher was a business project mentor of five students, so was able to explore the role of business ethics education for young entrepreneurs. The subjects were five students which had run the project business for four semesters. The students were active in student activities and social activities. They run business project which close to people.

RESULT AND DISCUSSION

Ciputra University has a vision of creating entrepreneur. The design of learning process at the Ciputra University is experiential based learning. The integration between accounting science-based learning with entrepreneurship learning created to support that vision. The first semester, students are given an insight into the role of accounting in entrepreneurship, and the reverse. Start in the second semester, students required to create a business group. Entrepreneurship learning goal in the second semester is students able to read the business opportunities in surrounding environment and able to perform the process of ideation for the business group. During the second semester, students create prototype products and do market testing. In the third semester, students required to start a business based ideation process that has been done in the second semester. Entrepreneurship learning objectives in the fourth semester is set up in a professional business.

In the entrepreneurship learning process, each business group has a mentor. The mentor is a lecturer and practitioner in accordance with their fields. The development of student business projects are always monitored by the mentor. As an example of the integration between the accounting science-based subjects with entrepreneurship are the students could directly apply accounting knowledge gained into the business project. Every business project report should enclose accountability reports including financial reports and analysis. Business ethics subject was taught to students of accounting since the second semester. The subjects included in the curriculum of learning in the Accounting Department with the aim that students able to apply business ethics in running their business projects during the study period, and later
after graduation could apply it in business and in daily life outside campus. The next expectation is the graduates of Accounting Department have integrity and capability in implementing good governance both as an entrepreneur and as intrapreneur.

Researcher conducted observations and interviews to the five students of Accounting Department which already take business ethics subject in second semester. The students through college, run a business project, and participate in various other activities, both in campus and outside campus. Thus, their socialization activities were not only performed on campus but also outside the campus. Five students were Patricia, Chris Je, Hong Felicia, Feby, and Rizky.

Patricia was the chairman of the Accounting Department Student Union. Patricia said that business ethics is important to learn. Business ethics could applied when Patricia perform activities in the student union and church, the family business, and in the daily life. After learned business ethics, Patricia was able to communicate better with older people, relationships with the same age, and younger people. Application of ethics into business would certainly vary according to each company's culture. Application of ethics in the family business run with her parents, Patricia reflected on how to make a decision and how to communicate with employees, suppliers, and consumers. Decision-making is done by a discussion in advance. Interaction with employees, suppliers, and customers become warmer. The customers did not feel disadvantaged by the price given. As a student of accounting, knowledge of business ethics is required. As an entrepreneur, Patricia could manage its business by applying business ethics that does not undermine the parties relating to its business. If Patricia would work as intrapreneur, as an employee, would able to work in accordance with ethical and so will not perform acts that violate ethical.

Holy Slime is a business project which founded by Chris Je and two colleagues. Holy Slime is engaged in the production of cream cleanser gadgets and electronic equipment. In addition to running a business project on campus, Chris also runs a business outside campus. He is dried shrimp distributor. Chris was also a member of the Accounting Department Student Union. Chris said that important to taught business ethics. Chris applied business ethics in establishing relationships with business partners in order to be loyal to cooperate. Currently Chris is also implementing organizational ethics. According to Chris, the application of business ethics could make the work environment and business environment be nice. After graduation, Chris will continue to implement a business ethics. If not using ethical, accountants could perform manipulations easily.

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Hong Felicia highly active in organizational activities, both in the student organizations on campus such as Student Union, new admissions committee, new student committee orientation, and social organizations outside campus such as church organizations. Hong run a business project with colleagues. She is the distributor of coconut sugar. Hong is an assistant lecturer in the Accounting Department. Ethics implemented by Hong in socializing. According to Hong, business ethics education important to taught for students in various disciplines. After graduate then worked, either open their own businesses or work as an employee, ethics need to be implemented at work and in the daily life. So, when worked is not only concerned with profit, but also pay attention to the surrounding environment and the employees. Important to improved corporate profits but do not forget to improve the quality of personality, especially ethics. In running a business project, business ethics adopted by Hong and colleagues was presenting reports honestly to mentor, and employ women from the surrounding environment to help pack the product. So, they earn additional income.

Baby Castle is a business project which is run by Feby and three colleagues. The business project is a distributor of baby clothes. According Feby, business ethics education is important to be taught to students, especially students of the Accounting Department. Through a business ethics education, Feby could understand how to run a business by implementing business ethics in it. Corporate Social Responsibility (CSR) is also taught in business ethics education. Through CSR, employers may share with the people in surrounding environment. Part of the profit can be used for social activities. If the environment around the company supports the running of the company, the environment would be goodwill for the company. As an accounting student, Feby felt it was important to study business ethics, because accounting is very closely related to the company, especially in financial terms. Good understanding of ethics could reduce the possibility of fraud. So, business ethics could make people run in accordance with ethics. Whenever, ethics would be needed both in daily lives, business management, and in carrying out the profession as an accountant. Feby implemented the business ethics in her projects to invite women around the place of business to become a reseller of products that could help these women to earn additional income. The application of business ethics in the internal activities of the company was they always done an honest and clear reporting.

Risky with two colleagues run a business in the field of food and beverages that are named Iyoota. Iyoota is a distributor shredded meat catfish and catfish fillet production. According to Rizky, business ethics education is not only important for students majoring in accounting but also to students in all majors. After getting the subject, Rizky became understood
that at the time of establishing the company or business, still have to pay attention to the environment. Rizky understand about CSR after following a business ethics subject. The application of business ethics while running his business project was employing women around his place of business as a production employee. Previously, these women did not have a job. Being Iyoota employees, making their income increases. According to Rizky, business ethics did not only important taught in the accounting department but across all departments. So that all higher education graduates would have the same standard of business ethics. Ethics is needed does not only in career but also in daily lives.

Based on observations and interviews of five students indicated that they require learning related to ethics. Learning business ethics needed to carry out a business, as an entrepreneur and as an intrapreneur. Before getting learning business ethics, they did not understand that ethics is needed in the business. They finally understood that ethics in business used when they relate to surrounding environment both internally and externally. They have also understood that CSR is also important to the company. Through learning business ethics, they became increasingly aware that as young entrepreneurs and intrapreneurs candidates, they should avoid fraud, such as in management, accounting, and finance.

Five students were implementing ethics in life on campus. Observations show that they were able to socialize well with colleagues on campus, lecturers, and staff. Together with colleagues, they also implemented business ethics in business projects and family business they run. Business ethics they implement when dealing with colleagues business projects, employees, mentors, customers, suppliers, and the surrounding environment. Their business projects run with honest and responsible so that no one harmed. They would be able to invite several women around the business environment to be employees, so that these women increase their income. Business project accountability report is made honestly and in fact in accordance with the existing evidence.

Results of these discussions could be concluded that the business ethics education has an important role on the quality of students' business ethics. Through learning business ethics, students are able to understand and be able to implement ethics in daily lives and in the business world. Understanding and implementing of ethics, is important for students to avoid fraud that might occur in the business world and in the real work.
CONCLUSIONS AND SUGGESTIONS

Based on the analysis and discussion, the conclusion of this research is the role of business ethics education is very important for students who are young entrepreneurs in the Accounting Department of Ciputra University. Students are able to understand and able to implementing ethics into daily lives and in running a business project. They became understand that as a student who has an accounting background should not use such knowledge to perform actions that unethical. Referred to unethical actions is the practice of fraud.

The author’s suggestions for the education are ethics education should be given since the most basic level of education to the highest levels of education. Ethics education given continuously would be embedded in soul of a person to become a habit and would be the basis of their behavior. The material provided of course adjusted to the interests and level of education. If someone has good ethics, the implementation of business ethics in life as an entrepreneur and as an intrapreneur will not have trouble. Automatically, would reduce the occurrence of acts of dishonest and irresponsible and in the long run, could reduce fraud practices.

REFERENCES


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