




Determinants of Ethical Decision-Making: A Study on the Role of the Professionalism of Members of the Indonesian Association of Tax Consultants

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ABSTRACT

This study aims to examine and analyze the direct influence among Machiavellian Traits, Perceptions of Ethics and Social Responsibility, and Risk Preference on Tax Consultant Ethical Decision Making. The novelty of this research is to use of the professionalism of tax consultants as members of the profession as a moderating variable. It is expected that the professionalism of the tax consultant can limit the occurrence of unethical decision making by tax consultant. The respondents were all tax consultants registered with the Indonesian Tax Consultants Association for the Pekanbaru region. Data analysis techniques in this study using Structural Equation Modeling – Partial Least Square (SEM-PLS) Smart-PLS Software version 4.0. This study found that Machiavellian traits, ethical perceptions and social responsibility, and risk preferences have an influence on the ethical decision-making of tax consultants. This study also found that professionalism moderates the effect of Machiavellian Traits, Perceptions of Ethics and Social Responsibility, and Risk Preference on Ethical Decision Making. This study offers theoretical and practical implications for strengthening attitudes that always prioritize ethics in every decision-making. Ethical decision making can be done by reducing Machiavellian traits, considering ethics and social responsibility, and always considering the risks that will be faced because of the decisions to be taken. The value of the study provides an academic contribution regarding the effect of Machiavellian traits, ethical perception, and social responsibility, and also risk preference, and the moderating role of professionalism in reducing unethical decision making.

KEYWORDS

Machiavellian Traits, ethical perception and social responsibility, preference risk, ethical decision-making, tax consultant

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Детерминанты принятия этических решений: исследование роли профессионализма членов Индонезийской ассоциации налоговых консультантов

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АННОТАЦИЯ

Данное исследование направлено на изучение и анализ прямого влияния макиавеллиевских черт в поведении налоговых консультантов, восприятия ими этики и социальной ответственности, а также предпочтения риска на принятие этических решений. Новизна исследования заключается в использовании профессионализма налоговых консультантов как представителей данной профес-

сии в качестве модерерирующей переменной. Ожидается, что профессионализм налогового консультанта может ограничить возникновение неэтичного принятия решений в сфере налогообложения. Все респонденты были налоговыми консультантами, зарегистрированными в Индонезийской ассоциации налоговых консультантов по региону Пеканбару. Данные, полученные в результате анкетирования, обрабатывались посредством моделирования структурных уравнений – метода наименьшего квадрата (SEM-PLS) Smart-PLS версии 4.0. Данное исследование показало, что макиавеллиевские черты в поведении налоговых консультантов, этические представления и социальная ответственность, а также предпочтения в отношении риска влияют на принятие налоговыми консультантами этических решений. Это исследование также показало, что профессионализм смягчает влияние макиавеллиевских черт, восприятия этики и социальной ответственности, а также предпочтения риска на принятие этических решений. Это исследование предлагает теоретические и практические выводы для укрепления взглядов, которые всегда отдают приоритет этике при принятии каждого решения. Принятие этических решений может быть достигнуто путем уменьшения макиавеллиевских черт, учета этики и социальной ответственности и всегда учитывая риски, с которыми придется столкнуться в результате принимаемых решений. Ценность исследования заключается в академическом вкладе в изучение влияния макиавеллиевских черт, этического восприятия и социальной ответственности, а также предпочтения риска и сдерживающей роли профессионализма в снижении неэтичного принятия решений.

КЛЮЧЕВЫЕ СЛОВА

макиавеллиевские черты, этическое восприятие и социальная ответственность, риск предпочтения, принятие этических решений, налоговый консультант

1. Introduction

In Indonesia, the role of tax as state revenue is vital because most of the sources of state revenue come from the taxation sector. This is consistent with the tax function as budgetary, meaning that in financing state expenditures, the government uses financial revenues originating from the tax sector, both for routine and development expenditures. The tax system applied in Indonesia is self-assessment, in which the government gives full responsibility to taxpayers to calculate and report their tax burden by what is stipulated in the law, follow all existing procedures, and pay accordingly.

Astika et al. [1] state that the taxation system in Indonesia has high complexity, many applicable tax rules, and changes frequently, making it increasingly difficult for taxpayers to follow the development of tax regulations to fulfill their tax obligations. This will motivate taxpayers to choose an alternative to using a tax consultant to assist them in implementing their tax rights and obligations.

A consultant is a person who provides tax consulting services to taxpayers in the

context of exercising their tax rights and obligations so that they are by tax laws and regulations (PMK No.111/PMK.03/2014). Therefore in carrying out his work, besides having to have qualified tax knowledge, a tax consultant should be guided by his professional code of ethics, in order to provide good service to his clients. The code of ethics contains guidelines and signs that must be obeyed by tax consultants, so that every decision they make is an ethical decision.

Klepper et al. [2] mention that tax consultants have two roles in a tax system, namely as government agents (enforcers) and advocates for their clients (exploiters). Because of this role, sometimes when carrying out their duties, tax consultants experience dilemmas in making decisions. Of course, it is highly expected that tax consultants always consider ethical factors when making decisions related to their work. This will certainly help clients to be able to properly enforce their tax obligations, in accordance with applicable tax regulations.

Currently, there are still many tax consultants who do not consider ethics in

making decisions related to their work. This can be seen from the many cases of tax violations committed by taxpayers, which involve their tax consultants. In the latest news, the Directorate General (DG) of Taxes of the Ministry of Finance investigated six companies and one tax consultant who had links to the assets of a former tax official.

Ethical decision-making can be influenced by both individual and situational factors [3; 4]. The individual factor is moral intensity consisting of awareness, intensity, judgment, and behavior [5]. While the situational factors are a code of ethics, ethical culture, rewards and sanctions, and opportunity [4]. Machiavellian nature is also one of the factors that influence the ethical decision-making of tax consultants in providing recommendations to their clients. Machiavellian nature is a process in which the manipulator gets more types of rewards than he gets without manipulating, while other people have fewer [6].

Perception of ethics and social responsibility are also factors that influence ethical decision-making by tax consultants. Individuals who have the perception that their every action must be guided by their professional ethics, and feel they have a high social responsibility, then every decision they make is an ethical decision.

Risk preference is also thought to be one of the factors that influence ethical decision-making by tax consultants. Individuals who dare to face risks will tend to dare to ignore the ethics that should be guided by them in making decisions regarding the work they are responsible for. Conversely, individuals who do not dare to take risks tend to adhere to professional ethics, resulting in more ethical decisions.

Another factor influencing ethical decisions by tax consultants is professionalism. Professionalism is the extent to which a person adheres to the characteristics of a profession [7]. The concept of modern professionalism in doing a job was developed by [8] and is related to two important aspects, namely the structural aspect and the attitude aspect. Structural aspects of its characteristics are part of the

formation of training venues, the formation of professional associations, and the establishment of a code of ethics. Professionalism can encourage individuals to take ethical actions [9].

Despite the large number of studies that have been documented on individual attitudes in carrying out ethical decision-making, this study investigates individual ethical decision-making, particularly in tax consultants. Therefore, this paper contributes to filling the gaps in the management accounting literature, particularly regarding individual behavior decision-making.

This study aims to investigate and analyze the influence of Machiavellian Traits, Perceptions of Ethics and Social Responsibility, and Risk Preference on Tax Consultant Ethical Decision Making. This study also wants to investigate and analyze the moderating role of professionalism.

The research hypotheses are as follows:

H1: Machiavellian influences the ethical decision-making of tax consultants.

H2: Ethical Perceptions and social responsibility influence the ethical decision-making of tax consultants.

H3: Risk preference influences the ethical decision-making of tax consultants.

H4: Professionalism Moderates the effect of Machiavellian traits on tax consultant ethical decision-making.

H5: Professionalism moderates the effect of ethical perceptions and social responsibility on ethical decision-making.

H6: Professionalism moderates the effect of Risk preference on the ethical decision-making of tax consultants.

Article structure. The following sections will present a literature review that describes the theoretical framework of the hypothesis that was built. Next will discuss about research methods, discussions, and conclusions.

2. Literature Review

According to [10], Ethical decision-making is a process carried out by individuals using their rationale to determine whether a particular issue is right or wrong. Ethical decision-making must meet several conditions and crite-

ria, namely: (1) considerations about right and wrong, (2) influenced by norms, situations, beliefs, character, and social environment, (3) welfare or consequentialism (Well-of Ness or Consequentialism), (4) Rights, duties, or Deontology, (5) Fairness or Justice, (6) virtue expectations or virtue ethics [6].

Jones [5] defined an ethical decision as a decision that is legally and ethically acceptable in the wider community. On the other hand, unethical decisions are decisions that are legally or ethically unacceptable in the wider society.

Tax consultants in Indonesia are consultants who are registered with tax consultant associations sheltered by the government. Each tax consultant association has its code of ethics, which is a guideline that must be obeyed by each member in carrying out their work when assisting taxpayers who become their clients¹.

Jones [5] mentions that there are four stages of the ethical decision-making process which consist of: (1) recognition of ethical issues (ethical awareness/recognition), (2) formation of ethical judgment (ethical judgment development), (3) establishing ethical intent, and (4) involvement in ethical behavior (engaged ethical behavior). Jones also revealed that people will act differently on ethical issues in terms that are systematically related to the characteristics of the issue itself, then stated that certain characteristics of the ethical issue itself are important determinants of the ethical decision-making process.

Professionalism is defined as something that requires special intelligence to carry out. Professional, namely a set of skills required to carry out a job that is carried out efficiently and effectively with a high level of expertise to achieve maximum work goals. The concept of modern professionalism in doing a job was developed by [8] and is related to two important aspects, namely the structural aspect and the attitude aspect.

Hall [8] suggests that the image of someone who is a professional in a profes-

¹ IKPI. Code of Ethics Commission. In: AD ART Code of Ethics of the Indonesian Tax Consultants Association. 2015.

sion is reflected in the five dimensions of professionalism, namely dedication to the profession, social obligations, independence, belief in the profession, and relationships with fellow professionals.

2.1. Machiavellian and Ethical Decision-Making

Machiavellianism is defined as a process in which the manipulator gets more types of rewards than he gets without manipulating, while others get less [6].

Machiavellianism is also interpreted as an aggressive nature, a tendency to influence and control other people which involves manipulation and unethical actions to achieve their personal goals [11].

Richmond [12] describes individuals with Machiavellian personalities as personalities who lack affection in personal relationships, ignore conventional morality, and show low ideological commitment. Therefore, if a tax consultant has a very machiavellian character, then he tends to ignore his professional ethics if he feels that he gets more profitable private benefits. He also tends to want to help his clients to carry out manipulation actions, if the rewards given satisfy him. Thus, the tax consultant will be willing to make unethical decisions regarding his work.

Findings from [13; 14] also show that people who have high Machiavellian traits have more tendencies for unethical behavior in various businesses, including avoiding taxes by fraudulently exaggerating deductions and engaging in aggressive behavior.

H1: Machiavellian influences the ethical decision-making of tax consultants.

2.2. Ethical Perceptions and Social Responsibility and Ethical Decision-Making

Perception is the essence of moral judgment [15], meanwhile, ethics is defined as a normative judgment about what behavior is proper or what should be done, a set of rules of behavior, moral codes, and ways of looking at life that can ultimately be directed [16; 17].

Singhapakdi et al. [18] developed the main concept of preserved ethics and

social responsibility, and developed an instrument to measure this concept in marketing and business ethics. Individuals who have ethical perceptions will be able to distinguish between ethical decisions and unethical decisions. Ethical considerations that exist in him will encourage tax consultants to always be guided by their professional ethics in every job they do in assisting their clients. Thus, the decision he takes will be ethical.

Previous studies have found that perceptions of ethics and social responsibility are influenced by cultural differences, ethical orientation, and demographic characteristics [19]. The results of other studies also prove that ethical perception factors and social responsibility influence the ethical decision-making process when faced with ethical problems [20].

H2: Ethical Perceptions and social responsibility influence the ethical decision-making of tax consultants.

2.3. Risk Preference and Ethical Decision Making

Risk is a decision characteristic that is defined as the existence of uncertainty about a potentially significant or disappointing decision to be realized [21; 22].

Decision makers who like challenges and involve risks are more likely to take risky actions than those who don't. Personal experiences or beliefs about risk drive preferences can be identified in the way decision-makers assess and react to risk [23].

Tax consultants have a goal to provide the best results for clients, but these goals will be balanced with the long-term goals of their work, and still must consider the risks and rewards that can be obtained from all decisions taken [24]. Kadous & Magro [24] state that tax consultants face a high risk of making unethical decisions.

Doyle et al. [25] state that there are differences in the recommendations given by tax consultants who have high-risk and low-risk preferences. Tax consultants who are more willing to violate tax regulations and are willing to take risks tend to provide more aggressive tax avoidance recommendations [19].

Risk preference is also thought to be one of the factors that influence ethical decision-making by tax consultants. Risk is a decision characteristic that is defined as the presence of uncertainty about a potentially significant or disappointing decision to make [26].

Personal experiences or beliefs about the preferences of risk drivers can be identified in the way decision-makers assess and react to risk [23].

According to [25], there are differences in the recommendations given by tax consultants who have high-risk and low-risk preferences. Tax consultants who have a high-risk preference tend to be more courageous in making decisions that ignore ethics. Conversely, tax consultants who have a low-risk preference tend to be guided by ethics when making decisions, because they do not want to take risks.

The findings of [27] found that tax consultants who are more willing to violate tax regulations and are willing to take risks tend to provide more aggressive tax avoidance recommendations.

H3: Risk preference influences the ethical decision-making of tax consultants.

2.4. The Moderating Role of Professionalism

Machiavellianism is defined as a process in which the manipulator gets more types of rewards than he gets without manipulating, while others get less [6].

Based on the views put forward by [11; 12] regarding individual Machiavellian traits, tax consultants who have Machiavellian traits will be aggressive, tend to influence and control others, and are willing to manipulate, and take unethical actions. Thus, it can be concluded that to achieve his interests, a tax consultant will be willing to violate his professional ethics. This is also because the tax consultant with his Machiavellian nature will lack affection in personal relationships, ignore conventional morality, and show low ideological commitment [12].

Another findings by [13; 14] found that people with high Machiavellian traits are more likely to engage in unethical behavior in a variety of businesses,

including avoiding taxes by fraudulently exaggerating deductions and engaging in aggressive behavior.

According to [7], professionalism is a picture of the extent to which a person adheres to the characteristics of a profession. Another opinion put forward by Arens & Loebbecke [2], professionalism is an individual's responsibility to behave more and not just comply with laws and community regulations, which exists. A Tax Consultant is a professional party that provides tax consulting services to taxpayers in the context of exercising their tax rights and obligations by tax laws and regulations. In carrying out their duties, tax consultants have ethical guidelines that must be obeyed.

Therefore, in carrying out their duties, tax consultants will comply with the professional code of ethics established by the Tax Consultants Association, in every decision-making related to their job responsibilities. The professionalism possessed by tax consultants is believed to reduce the role of Machiavellian traits in reducing unethical decision-making by tax consultants.

H4: Professionalism Moderates the effect of Machiavellian traits on tax consultant ethical decision-making.

Ethical perception is the essence of normative moral judgments about the behavior that should be done. Consultants who perceive that ethics and social responsibility are important things that must be considered when making decisions will carry out their professional services by relevant technical requirements and professional standards. In addition, they will also act consistently with the reputation of their profession. This action will also be followed by avoiding actions that can damage the reputation of the profession. When providing services to clients, they will also work according to a set code of ethics.

The professionalism of a tax consultant will create a tax consultant who, in carrying out his duties, will always use all his knowledge, skills, and experience. They will also be consistent in sticking to the profession as a consultant even if they get offers of other jobs with greater rewards. Professional tax consultants will

always try to maintain the good name of their profession. Always try to put the client first in carrying out tasks, always believe in the ability and decisions taken, and provide advice and recommendations on tax findings and reviews, not under pressure from clients.

H5: Professionalism moderates the effect of ethical perceptions and social responsibility on ethical decision-making.

Risk preference is an individual characteristic that influences the individual's behavior [28]. Tax consultants have the characteristic of preferring to avoid risks and will be more compliant, so they will always consider ethics when making decisions. When faced with a conflict between law and conscience, they prefer to follow their conscience in making risky decisions. But if the tax consultant likes risk, then he will dare to ignore ethics when making decisions, to achieve his desires. Willing to assist consumers/clients in tax evasion Accept client requests to assist engineering in tax reports with rewards or big prizes. But the professionalism of the tax consultant can affect the influence of the risk-loving nature of the tax consultant in decision-making. The more professional he is, the less willing he is to make unethical decisions, even though he likes risks

H6: Professionalism moderates the effect of Risk preference on the ethical decision-making of tax consultants.

3. Methodology

3.1. Population and Sample

The population in this study were tax consultants registered with the Indonesian Tax Consultants Association of Pekanbaru, totaling 91 people, and all populations were used as samples. Data collection was carried out by distributing questionnaires to the 91 respondents. From the questionnaires distributed, 65 respondents returned, so the data that could be processed was 65.

3.2. Variables Measuring

Ethical Decision Making is measured using the provisions and criteria from [16]. Machiavellian traits are measured using the attitude characteristics of [6; 11; 12].

The indicators for measuring the Machiavellian trait variables are affection, ego, manipulation, and aggression. Ethical Perceptions and Social Responsibility are measured using by using a modified instrument from [16; 17; 29].

Risk preference is measured using indicators from [17; 29], and is measured using a Likert scale from one to five.

Professionalism is measured using the instrument from [8]. All respondents’ responses in this research were assessed using a five-point Likert scale with answers ranging from 1 (strongly disagree) to 5 (strongly agree).

The Table 1 shows the measurement of the variables used. The distribution of questionnaires is shown in Table 2.

Table 1

Variables Measurement

Variables	Indicators	Scale Ethical decision Making (Y)
Ethical decision Making (Y)	<ol style="list-style-type: none"> 1. A consideration of right and wrong. 2. Influenced by norms, situations, beliefs, character, and social environment. 3. Welfare or consequentialism. 4. Rights, obligations, or morals. 5. Equality or fairness [10; 16] 	Ordinal
Machiavellian (X1)	<ol style="list-style-type: none"> 1. Affect. 2. Selfishness. 3. Manipulative. 4. Aggressive [6; 11; 12] 	Ordinal
Ethical perception and Social responsibility (X2)	<ol style="list-style-type: none"> 1. Responsibility. 2. Community interests. 3. Integrity. 4. Objectivity and Independence. 5. Scope and nature of services. 6. Confidentiality and prudence [6; 16; 20; 25] 	Ordinal
Risk Preference (X3)	<ol style="list-style-type: none"> 1. Costs as a risk of sanctions arising from the recommendations given. 2. Reputation of the tax consultant. 3. The relationship between the tax consultant and the client [24; 29] 	Ordinal
Professionalism (Z)	<ol style="list-style-type: none"> 1. Devotion to the profession. 2. Social obligations. 3. Independence. 4. Confidence in professional regulations. 5. Relationship among professions [8] 	Ordinal

Sourced: Prepared by author 2023.

Table 2

Distribution of Questionnaires

No.	Information	Amount	Percentage
1.	Questionnaires distributed	91	100
2.	Responded Questionnaire	65	71.42
3.	Questionnaires cannot be processed	0	0
4.	Questionnaires be processed	65	71.42

Sourced: Prepared by author 2023.

3.3. Data Analysis Method

This study uses data analysis methods using Structural Equation Modelling – Partial Least Square (SEM-PLS) using Smart-PLS Software version 4.0 PLS is a component or variant-based SEM equation model.

Partial Least Square (PLS) is part of SEM PLS is a powerful analytical method because it doesn't require many assumptions, and the sample size can be small or large. PLS-SEM itself uses software such as Smarts, WarpPLS, PLS-Graph, and Visual Graph.

4. Result

4.1. Descriptives Statistics

Descriptive statistics include descriptions and interpretation of the mean, minimum, maxi mother, and standard deviation. The statistical description describes the data analysis based on the respondents' answers to the proposed questionnaire. Based on the test results it was found that the value Standard deviation for each variable is lower than the average value. This the results show the data is quite good. The Table 3 shows the minimum, maximum, average, and standard deviation values.

4.2. Outer Model Test Result

The following data presents the results of descriptive statistics, and the data in the Table 4 is the outer model and the convergent validity.

According to [30; 31] for early-stage research, the development of a measurement scale for a loading value of 0.5 to 0.6 is considered sufficient [32]. The value of the outer model between indicators and variables meets convergent validity because all items in the indicator have a loading factor value above 0.50.

Thus, each indicator can be said to be valid. Another measure of convergent validity is to look at the AVE (Average Variance Extracted) value.

According to [32; 33] the AVE square root is also used for convergent evaluation, the criterion that must be met is the AVE square root value > 0.50. Based on Table 3, the five variables have met convergent validity.

To determine the discriminant validity of the measurement model used Fornell-Larcker. Table 5 below shows that the diagonal is greater than the correlation between constructs, so it can be said that the discriminant validity is good [30].

4.3. Inner Model Test Result

To find out how much the role of each independent variable on the dependent variable can be seen from the data in Table 6 below. The R-Square value of Ethical Decision Making is 0.655. This indicates that the influence of Machiavellian Traits, Perceptions of Ethics and Social Responsibility, Risk Preference, and Professionalism on ethical decision-making is 65.5%, and the rest may be influenced by other variables not examined in this study (Figure 1).

Table 3

Min, Max, Mean, Std Deviation					
Variables	N	Min	Max	Mean	Std dev
Machiavellian (X1)	65	1	3	1.9019	0.8858
Ethical perception	65	1	5	4.3282	0.8593
Social reponsibility	65	1	5	2.1815	1.,1453
Risk preference	65	3	5	3.8308	0.6018
Professionalism	65	1	5	3.7580	1.1678

Source: Prepared by author 2023.

Table 4

Convergent Validity and Reliability					
Variables	Items	Loadings	Cronbach's α	CR	AVE
Ethical decision-making	EDM1	0.878	0.934	1.012	0.794
	EDM2	0.910			
	EDM2	0.950			
	EDM4	0.800			
	EDM5	0.911			
Machiavellian Traits	MT1	0.947	0.976	0.979	0.855
	MT2	0.862			
	MT3	0.922			
	MT4	0.883			
	MT5	0.933			
	MT6	0.931			
	MT7	0.947			
	MT8	0.967			
Ethical perception and social responsibility	ES1	0.757	0.941	0.945	0.608
	ES2	0.835			
	ES3	0.831			
	ES4	0.775			
	ES5	0.776			
	ES6	0.874			
	ES7	0.753			
	ES8	0.739			
	ES9	0.753			
	ES10	0.771			
	ES11	0.729			
	ES12	0.754			
Risk preference	RP1	0.778	0.858	0.868	0.639
	RP2	0.725			
	RP3	0.758			
	RP4	0.864			
	RP5	0.861			
Professionalism	P1	0.894	0.974	1.012	0.793
	P2	0.855			
	P3	0.930			
	P4	0.933			
	P5	0.933			
	P6	0.881			
	P7	0.905			
	P8	0.841			
	P9	0.879			
	P10	0.816			
	P11	0.922			

Source: Prepared by the author 2023.

4.4. Hypotheses Test Result

The results in Table 7 and Figure 1 revealed that the Beta coefficient value of the Machiavellian trait is -0.410 and shows a negative direction with a p-value level of 0.000, which is < 0.05), so the hypothesis is accepted. Based on the test results, it can be said that the first hypothesis can be accepted.

The results of testing the second hypothesis indicate that there is a positive directional influence between ethical perceptions

and social responsibility on tax consultants' ethical decision-making. This is indicated by a significant p-value of 0.000 which means it is smaller than 0.005 (0.000 < 0.05) with a coefficient value of 0.435. Thus, the second hypothesis is accepted.

Hypothesis 3 aims to examine the effect of risk preference on tax consultants' ethical decision-making. The results of testing the third hypothesis have a beta coefficient of -0.283, and a p-value of 0.005 (0.005 < 0.05), so hypothesis 3 is accepted.

Tabel 5

Fornell-Larcker

	Y	X2	X3	Z	X1
Ethical decision-making	0.891				
Ethical perception and social responsibility	0.429	0.780			
Risk preference	-0.584	-0.285	0.799		
Professionalism	0.254	0.159	-0.228	0.891	
Machiavellian traits	-0.517	-0.149	0.389	0.145	0.924

Source: Prepared by author 2023.

Tabel 6

Inner Model - R-Square (R²)

Structure Model	R Square	R Square Adjusted
Ethical decision-making	0.655	0.613

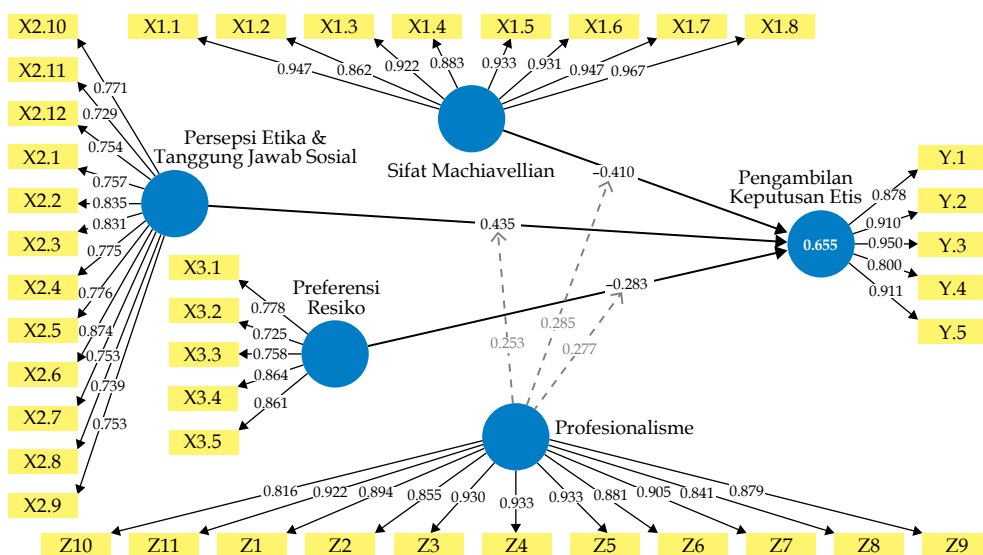


Figure 1. Path coefficient

Source: Prepared by the author 2023

Table 7

Path Coefficients (Mean, STDEV, T-Values)					
	β	Mean	(STDEV)	T statistick (O/STDEV)	P values
Machiavellian Traits → Ethical decision-making	-0.410	-0.391	0.094	4.383	0.000
Ethical perception and social responsibility → Ethical decision-making	0.435	0.432	0.113	3.833	0.000
Risk- preference → Ethical decision-making s	-0.283	-0,278	0.102	2,780	0.005
Professionalism x Machiavellian traits → Ethical decision-making	0.285	0.266	0.108	2.640	0.008
Professionalism x Ethical perception and social responsibility → Ethical decision-making	0.253	0.243	0.099	2.553	0.011
Professionalism x Risk preference → Ethical decision-making	0.277	0.237	0,104	2.674	0.008

Source: Prepared by the author 2023.

The results of the fourth hypothesis test have a positive coefficient value of 0.285 and are signed with a p-value level of 0.008 ($0.008 < 0.05$). These results can be interpreted to mean that there is an interaction between Professionalism and Machiavellian traits in the ethical decision-making of tax consultants.

The results of testing the fifth hypothesis have a positive coefficient value of 0.253 and are signed with a p-value level of 0.011 ($0.011 < 0.05$), and H5 is supported. With these data, it can be concluded that there is an interaction of professionalism and perceptions of ethics and social responsibility toward the ethical decision-making of tax consultants. The more professional a tax consultant is, and the better his perception of the ethics and social responsibilities he has to carry out, the more ethically guided he will be when making decisions [34; 35].

Hypothesis 6 aims to examine the moderating role of professionalism in the influence of risk preferences on the ethical decision-making of tax consultants. The positive beta coefficient value (0.277), and the p-value of 0.008 ($0.008 < 0.05$) indicate that there is an interaction between professionalism and risk preference for ethical decision-making by tax consultants.

5. Discussion

5.1. The Effect of Machiavellian on Ethical Decision Making

The first hypothesis stated that Machiavellian traits affect ethical decision making, the test result accepted the first hypotheses. This study tests the effect of Machiavellian traits using indicators of affective, ego, manipulative, and aggressive attitudes in tax consultant ethical decision-making. The finding of the first hypothesis indicates that in carrying out their duties, a tax consultant with high Machiavellian traits tends to be manipulative and makes aggressive decisions that tend to be unethical. However, a tax consultant with a low level of Machiavellian nature will tend to make ethical decisions in every job by providing ethical advice and recommendations to taxpayers on the results of their tax reviews.

This result is in line with [11; 13; 14] who found that the higher a person's Machiavellian trait, the more unethical the tax consultant's decision-making will be. Conversely, the less Machiavellian a tax consultant is, the more he will consider ethics when making decisions, among other things, he will provide good advice and recommendations to taxpayers who become consultant clients. High Machiavel-

lian traits will tend to act independently and are more likely to behave unethically.

This is because people with Machiavellian traits will be more aggressive, and have a tendency to influence and control others by involving manipulation and unethical actions to achieve personal goals [11].

5.2. The Effect of Ethical Perception and Social Responsibility on Ethical Decision Making

The findings of second hypothesis test was accepted, which means, the ethical perception and social responsibility of the tax consultant will influence the ethical decision-making that will be carried out. The results of this test are in line with the findings of [14; 18; 20].

These results are by the theory of cognitive moral development where a person in deciding will follow the rule of law and society which consists of social, legal, and religious systems intending to maintain the welfare of society. Perceptions of high ethics and social responsibility will make tax consultants more ethical in making decisions such as tax advice and recommendations.

he tax consultant profession that provides services to clients must be able to convince clients that they provide services that are accountable, with integrity, and objective.

This finding is in line with [14; 18; 36] who found that perceived ethical and social responsibility factors influence the ethical decision-making process. This shows that people who have perceptions of the importance of ethics and social responsibility will always use ethics and pay attention to the social environment in making decisions so that decisions taken will be more ethical.

5.3. The Effect of Risk Preference on Ethical Decision Making

The measurement of risk preference uses three indicators, namely: cost as a risk of sanctions arising from the recommendations given; the Reputation of the tax consultant, and; the relationship between the tax consultant and the client [29; 24].

The third hypothesis test results which showed that risk preferences in

ethical decision-making through the three indicators show a negative and significant effect on ethical decision-making by tax consultants indicating that risk preference considerations will improve ethical decision-making [36; 37].

Tax consultants who do not like risk will refuse to help clients to evade taxes in a way that ignores ethics. For example, refusing to agree with clients to engineer tax reports, even with big rewards.

These findings indicate that tax consultants who consider risk preferences will make more ethical decisions, as a preventive action against the cost of risk of sanctions in the future. Besides that, the tax consultant will maintain a professional reputation for relationships with clients, by refusing to help clients carry out tax obligations that are not in accordance with applicable regulations, even though they are given adequate compensation.

This finding is in line with [36; 37] were also found that risk preference has a negative and significant influence on ethical decision-making by tax consultants. These findings indicate that the decisions taken will be more ethical if the job risk is smaller, and vice versa for jobs that are more risky.

5.4. The Moderating Role of Professionalism

Based on the fourth hypothesis test result it can be concluded that the professionalism of the tax consultant moderates the influence of Machiavellian traits on the ethical decision-making of a tax consultant. The more professional the tax consultant, the more ethical the decisions he makes, even though he has a Machiavellian nature. This research is in line with the findings of [34; 35], who also found that professionalism has a positive and significant influence on auditor ethical decision-making. The attitude of professionalism possessed by a person will affect his performance so it also influences decision-making based on ethics in assignments. The more professional the tax consultant is, the more ethical the decisions are taken by the tax consultant in carrying out their duties.

In addition, a professional tax consultant will carry out professional work as

a form of dedication, always prioritizing social interests, prioritizing independence without any pressure from other parties in making decisions, always adhering to the rules and standards of the professional code of ethics and maintaining good name, reputation, and relationships. colleagues in the profession [8]. So that a tax consultant who has these criteria will have a low Machiavellian nature and make decisions ethically.

The fifth hypothesis test result indicated that the more professional a tax consultant is, and the better his perception of the ethics and social responsibilities he has to carry out, the more ethically guided he will be when making decisions [34; 35; 38].

The test result of sixth hypothesis indicated that the high professionalism of a tax consultant can weaken the negative effect of risk preference on the ethical decision-making of a tax consultant. Consideration of the risk preferences of the tax consultant when making decisions will lead to ethical decisions, and the professionalism of the tax consultant will further enhance the ethical considerations of the tax consultant when making decisions.

This research is in line with [37] who found that risk preference has a negative and significant influence on ethical decision-making by tax consultants. However, [36] show that risk preference has a negative and insignificant effect on ethical decision-making by tax consultants.

6. Conclusion

The purpose of this research is to investigate whether Machiavellian nature, ethical perceptions and social responsibility, and risk preference affect the ethical decision making of tax consulting. This study also wants to investigate the moderating role of their professionalism. The results of the study show that both Machiavellian, ethical perceptions and social responsibility, and risk preference influence ethical decision making of tax consulting. The results also found that the professionalism of the tax consultant acts as a moderating variable.

The results of this study have implications for the practice of developing the

tax consultant profession, to improve the ethics of tax consultants who are members of their professional associations. Tax consultant professional organizations can facilitate and cultivate so that they always act with professional ethics, especially in aiding clients. Associations, where tax consultants take shelter, must also act firmly under the code of ethics they set, to provide learning to cultivate ethics in every decision-making.

Thus, the Machiavellian nature of each tax consultant can be limited, always realizing that ethical considerations and social responsibility, as well as risk preferences in decision-making, are things that greatly affect how ethical the decisions made are. The professionalism of the tax consultant is also an important thing that can reduce the occurrence of decision-making that ignores ethics.

Although this study makes a major contribution to the development of a body of knowledge, its findings have limitations. First, the research sample only consisted of tax consultants in one association, whereas in Indonesia four tax consultant associations are recognized by the government.

In addition, data collection using a questionnaire only comes from one source, namely employees' responses to the variables in this study which show a single source bias. Another limitation is the low response rate because this research took place at a time when tax consultants were at their peak, chasing the annual tax reporting deadline. Further research is suggested to further expand the research sample, and choose a time when the tax consultant is not being rushed by the annual tax reporting deadline.

In addition, the R-Square value of the influence of Machiavellian traits, ethical perceptions, risk preferences, and professionalism on ethical decision-making is 0.65, which indicates that the influence of these variables on ethical decision-making is only 65%, and other variables influence the rest. Therefore, future researchers should consider other factors that are likely to affect the level of ethical decision-making by individuals.

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