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The Influence of Personal Value, Moral Philosophy, and Organizational Ethical Culture on Auditor Action and Acceptance for Dysfunctional Behavior

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Abstract — Objectives of this research are to investigate the effect of organizational ethical culture, personal values, and moral philosophy on auditor actions and acceptance for dysfunctional behavior. This research also seeks to investigate the effect of organizational ethical culture through personal values and moral philosophy on auditor actions and acceptance for dysfunctional behavior and effect of personal auditor value on his moral philosophy. By using structural equation modeling technique from survey result 52 auditor resulted that auditor which tend to have moral philosophy of idealism and not relativism is auditor having personal value of conservatism and self-enhancement. While auditor who tend to relativism is auditor who have a personal value of openness to change. Auditor who have a moral philosophy of relativism will tend to accept dysfunctional behavior, while the idealism auditor will tend to reject such behavior. Organizational ethical culture and personal value of self-enhancement are found have an effect on the auditors acceptance for dysfunctional behavior. Only an ethical culture is an ethical environment that affects auditor dysfunctional action. The personal value of conservatism through the moral philosophy of idealism founded have an effect on auditor acceptance for dysfunctional behavior, but not for organizatonal ethical culture through personal value and moral philosophy.

Keywords — **Organizational Ethical Culture, Personal Values, Moral Philosophy, Dysfunctional Acts In Auditing, Auditor Acceptance For Dysfunctional Behavior.**

I. Introduction

Auditor dysfunctional behavior is a continuous concern by AICPA. It's a deviant behavior performed by auditors in conducting audit. This behavior may degrade audit quality, both directly and indirectly [20]. The result of the study shown that auditors' dysfunctional behavior continued to occur all the times in various countries [18,20]. The problems of dysfunctional actions that are allowed to extend could tarnish the reputation of auditor profession. Auditors play the role as gatekeepers in monitoring relevant information related to decision making by clients and auditors are also obliged to always fulfill their responsibilities professionally [22]. It is very important for auditors to align their actions with the highest ethical standards [5]. This means that it's very important for auditors to don't act or accept dysfunctional actions.

There are many obstacles influenced decision makers, to do the right thing or ethically. These factors can be grouped into organizational and personal characteristics constraints [4]. Personal characteristics that may affect the auditors' actions and acceptance of dysfunctional behavior are moral philosophy and personal value, then organizational characteristics factors are the ethical culture of organization.

In the 1980s, organizational culture was identified as potential element in organizational success [23]. Ethical culture is a part of an organizational culture that consist of various controls, formal and informal, that encourage ethical or unethical behavior. If ethical behavior is reinforced by organizational culture, ethical behavior will increase within the organization [33]. The result of the study shown that there is an effect of ethical culture on auditors' ethical judgements [1,27,30,31].

Ethical culture can be a powerful tool for organizational leaders to communicate organizational values to all members. Therefore, organizational members can act ethically as expected by the organization [1]. However, no matter how strong the ethical culture of the organization is, it won't succeed in guiding the auditor individually if the auditor himself don't want to be guided by the culture. Rigorous regulations aren't the only way to overcome the auditor's actions and acceptance of dysfunctional behavior. The real determining factors whether an auditor will act or accept dysfunctional actions are determined by auditors themselves. Personal values and certain moral philosophies are personal characteristics that can distinguish an auditor from other auditors.

Personal value is a set of beliefs that guide a person in acting. A person will act not only because of stimuli, but also based on their beliefs. It means that the auditor won't act or accept dysfunctional actions if it's not in accordance with the value he has. Some research shown that the personal values affect somebody's actions [7,14,29].

Auditor behavior will be in accordance with the ethical standards of the organization, only if the auditor is in the right ethical scale position, as expected by the organization. If the moral compass of auditor has diverged, there is no law that strong enough to prevent the act of deviation he did. The individual's ethical code will represent the last line of devense to prevent auditor's actions and acceptance of dysfunctional behavior. Moral philosophy is a key factor in determining how ethical choices will be made by a person [16,19].

Moral philosophy of somebody can be influenced by his personal values. Auditors' personal value preference is a manifestation of their moral philosophy which will influence their ethical beliefs and actions. Some ethical decision making models consider personal value as an antecedent to a more general moral view. Its strength will influence the reasoning process associated with ethical issues [19,21,28]

Personal values and moral philosophy aren't a part of standard equipment when somebody is born. He was born without value or moral philosophy. Through the process of socializing, it's influenced by the rules and cultural norms in his environment. Socialization as a process of individuals are formed by the community where they live [9]. Individuals form themselves in response to their environmental demands and give an incentive to adopt attributes which appropriate to environment. Given an organizational ethical culture, an auditor may be able to change his personal values and moral philosophy to fit the beliefs/values held by organization.

Based on explanation above, known that organizational ethical culture, personal values, moral philosophy, and auditor actions and acceptance for dysfunctional behavior can have interrelationships. Organizational ethical culture may be able to change the auditor's personal values, then his moral philosophy, and then his actions so as not to act or accept dysfunctional actions. Because of that the objectives of this study are (1) to investigate the effect of organizational ethical culture, personal values, and moral philosophy on auditor actions and acceptance of dysfunctional behavior, (2) to investigate the effect of organizational ethical culture through personal values and moral philosophy on auditor actions and acceptance of dysfunctional behavior, and (3) to investigate the effect of personal auditor value on his moral philosophy.

Based on the review of the literature that has been conducted, not many studies have examined the influence of personal values, moral philosophy, and organizational ethical culture on auditor actions and acceptance for dysfunctional behavior such as the components in this study. Components of personal value, moral philosophy, and ethical culture such as those in this study are usually associated with individual ethical decisions [19,27,28,33]. This research is also different from existing research because this research combines organizational ethical culture, personal values, moral philosophy, and auditor actions and acceptance for dysfunctional behavior into a single interrelated model.

Several studies related to auditor's actions and acceptance for dysfunctional behavior that researchers found examined and found (1) locus of control, performance, and intention to stop working affected the auditor's acceptance for dysfunctional behavior [7, 36], (2) time budget pressures and personality with type B have a positive effect on auditor dysfunctional behavior [14], and (3) ethical environment and penalties are negatively related to dysfunctional behavior of auditor, while compliance demands with the authorities are positively related [30].

As an effort to prevent auditor actions and acceptance for dysfunctional behavior, this research will provide an approach that can be used to prevent and reduce it. This research will provide knowledge about whether an organization’s ethical culture is able to change the personal values and moral philosophy of the auditors so they won’t act and accept dysfunctional actions. It will be useful for the organization in determining the personal worth of the auditor candidates in recruitment. This research will provide knowledge of personal value that should be fit with moral philosophy of auditors who will reject or accept dysfunctional behavior. In addition, this research will show the types of moral philosophy and ethical culture that will prevent and reduce auditors action and acceptance of dysfunctional behavior.

II. Literature Review And Hypothesis

A. *Auditors Action and Acceptance for Dysfunctional Behavior*

Dysfunctional behavior of auditors that may reduce the quality of audit directly is a behavior poses a direct threat to the reliability of audit records where the auditor’s opinion is based. These behaviors are (1) failed in researching the accounting principle used by clients, (2) not taking a serious review of clients’ documents, (3) accepting slight explanations or confirmations, (4) reducing the audit steps to below acceptable levels, and (5) premature sign-off. Besides, dysfunctional behavior of auditors that may reduce the quality of audit indirectly is underreporting of time [20]. Auditors acceptance of dysfunctional behavior is an act where auditors will accept dysfunctional behavior for a variety of reasons. These reasons could be time budget pressures, opportunities to get a better appraisal performance, and most auditors carry out these dysfunctional actions [7].

B. *Organizational Ethical Culture*

Organizational ethical culture is a part of organizational culture consists of various controls, formal and informal, which will encourage ethical or unethical behavior [33]. If ethical behavior is reinforced by organizational culture, ethical behavior will increase. In contrast, if unethical behavior is strengthened, members of the organization will tend to be unethical.

Daily work practices are usually learned from leaders and colleagues and communicated through informal norms of company management [6]. The results shown there were strong effect from leaders and colleagues to the resolution of ethical conflict among auditors [3]. The practices and values of audit partners will establish an ethical tone in organization. Thus, it will be a major obstacle for auditors to act and accept dysfunctional behavior. Organizational ethical culture in this study consists of ethical environment, compliance on authority, and implementation of ethical codes [33]. One or all components of organization’s ethical culture may have a direct effect to auditor action and acceptance for dysfunctional behavior, so the hypothesis can be formulated as follows:

H_1 : Organizational ethical culture effects auditors’ dysfunctional actions.

H_2 : Organizational ethical culture effects auditors’ acceptance for dysfunctional behavior.

Cognitive learning theory [8] and social cognitive [2] stated that the environment offers several experiences or cues that will shape somebody’s beliefs (personal values and moral philosophy) and their actions. Somebody will see the actions and consequences of some other actions, then he will try to imitate their actions that give positive consequences. If what he imitates give a positive consequences for him, he will repeat the actions. Through process of socialization, individuals gain value to adjust themselves to the norms and roles needed to fit their group [34]. The process can occur either because of the desire of individual themselves or because of compulsion to create conformity between the individual and group. It means that culture through this process and cognitive learning will influence beliefs (personal values and moral philosophy) and then somebody's actions to be in accordance with the culture in their environment. If the organizational ethical culture teaches auditors actions and acceptance for dysfunctional behavior are unethical, the auditor may instill in him, form beliefs (personal values and moral philosophy) that it's not right. So, he won't carry out these actions because his belief he got from an organization stated that actions and acceptance for dysfunctional behavior were unethical. Therefore, the organizational ethical culture through personal values and auditor's moral philosophy may affect the auditor's actions and acceptance for dysfunctional behavior, so the hypothesis is formulated as follows:

H_3 : Organizational ethical culture through personal value and moral philosophy will effect auditor actions for dysfunctional behavior.

H_4 : Organizational ethical culture through personal value and moral philosophy will effect auditor acceptance for dysfunctional behavior.

C. Personal Values

Value is a set of beliefs arranged hierarchically, so certain modes of behavior are preferred to other modes [3]. Personal value is the desired goal, which varies in importance, serves as a guide in human life [26]. Cognitive learning theory states that individuals not only act because of stimuli, but also act based on beliefs, thoughts, attitudes, and feelings to achieve goals [8]. Thus, it's known that an individual's personal values will influence his actions. This study refers to personal values of Schwartz and Sagiv which divides the types of personal values into conservation, openness to change, self-transcendence, and self-enhancement [26]. The results shown that conservation has a possitive effect on somebody's ethical decisions, while openness to change has a negative effect [12,28]. Individuals with a high tendency to take risks and strong needs for autonomy, innovation, and aggression tend to be less ethical, while individuals with strong needs to follow socially desirable behaviors and those who have strong patterns of handling problem solving tend to be more ethical [21]. It means that one or all types of personal values in this study may affect the actions and acceptance of auditors for dysfunctional behavior. A number of research results shown that somebody's characteristics influence his acceptance of dysfunctional behavior [7,29]. Therefore, the following hypotesis can be formulated:

H_5 : Personal values effect auditors' dysfunctional actions.

H_6 : Personal values effect auditors acceptance for dysfunctional behavior.

Auditors personal values preferences are a manifestation of their moral philosophy, which will affect their ethical beliefs and then their actions. Auditors' moral philosophy is influenced by their personal values. Some decision making models consider personal values as antecedents of moral views that are more general with their power to influence reasoning processes related to ethical issues [19,21,28]. The results shown that idealistic auditors tend to support conservative values in relation to ethical issues. Conversely, auditors who are very relativistic apply a moral philosophy based on skepticism [19]. It means that the auditors' personal values will affect their moral philosophy, so the following hypothesis is formulated as:

H_7 : Personal values effect to auditors' moral philosophy.

D. Moral Philosophy

Moral is defined as the attitude and belief possessed by someone who helps the person to decide what is right and wrong [15]. The moral philosophy in this study refers to Forsyth which divides the types of it into idealism and relativism [10]. Idealists believe that their behavior and decision must have positive consequences and not harm others [35]. Idealists base all their ethical judgements on ethical principles, besides relativistic refuse to formulate or rely on the principles of universal ethics. Moral philosophy of individuals is a key factor in determining how somebody views on ethical issues and how they determine which choices are ethical [19]. Researches prove that idealism and relativism influence auditor's ethical judgements, i.e. idealistic auditors will condemn unethical behaviors [17,19]. An idealistic auditor will reject dysfunctional actions in audit but not for relativistic. It means that moral philosophy of auditors may affect the actions and acceptance for dysfunctional behavior in audit, so that the following hypothesis is formulated:

H_8 : Moral philosophy effects auditors' dysfunctional actions.

H_9 : Moral philosophy effects auditors acceptance for dysfunctional behavior.

III. Methodology

Sample selection process uses convenience sampling method. The data analysis tool uses partial least square-structural equation modeling (PLS-SEM), using Smart-PLS version 3.0 software. The data were obtained from questionnaire answers of 52 public sector auditors represent West Sumatera. The questionnaire consists of organization's ethical culture component as an exogenous variable and then component of personal values, moral philosophy, auditors' action for dysfunctional behavior, and auditor acceptance for dysfunctional behavior as an endogenous variable that described as follows:

- *Auditors' Dysfunctional Behavior*

Researcher uses question instruments made by Outley and Pierce [20]. Alternative answers to these questions use a 5-point Likert scale, where 1 is never and 5 is almost always.

- *Auditors' Acceptance of dysfunctional behavior*

Researcher uses question instruments made by Donnelly et al [7]. The answers to these questions use 5-point Likert scale, where 1 is very disagree and 5 is very agree.

- *Moral Philosophy*

This study uses a questionnaire by Forsyth [10]. Respondents were asked to indicate the level of their agreement on the statement items in questionnaire using a 7-point Likert scale, where 1 is totally disagree, 4 is no opinion, and 7 is completely agree.

- *Personal Value*

This study uses a questionnaire by Schwartz [25]. Respondents were asked to indicate the level of their agreement on their personal value preference using 9-point, started from -1 until 7, where -1 is contrary with respondents' value, 0 isn't important, 1 until 7 are important.

- *Organizational Ethical Culture*

Measurement instrument used in this study based on question instruments made by Trevino et al. [33]. Responses to questions were collected by using 6-point Likert scale, where 1 is very disagree and 6 is very agree.

IV. Result

A. Reliability Test

Table I shows the variabels in this research. Those variabels have composite reliability value > .7. It means that those variables fulfill requirements of reliability.

TABLE I. COMPOSITE RELIABILITY

Variables	Composite Reliability
Organizational Ethical Culture	
Ethical Environment	.880
Implementation of Ethical Code	.867
Compliance to Authority	.899
Personal Value	
Conservation	.935
Self-transcendence	.885
Self-enhancement	.897
Openness to Change	.903
Moral Philosophy	
Idealism	.861
Relativism	.909
Dysfunctional Actions	.825
Acceptance of dysfunctional behavior	.819

B. Validity Test

- *Convergent Validity*

Table II presents indicators that meet the requirements of convergent validity, i.e. the best indicators that represent their variables with outer loadings for each indicators ≥ .6 and average variance extracted (AVE) for each variable ≥ .5.

TABLE II. OUTER LOADINGS AND AVE

Indicators	Outer Loadings	AVE
Organizational Ethical Culture		
Ethical Environment (LE)		.542
Punishment for unethical actions is strictly implemented (LE3)	.629	
Leaders in organization become role models who have high ethical standards (LE4)	.610	
Award for auditors with integrity (LE5)	.737	
The code of conduct is carried out	.757	

accordingly (LE6)		
The code of ethics is used as a guide/norm in the organization (LE7)	.874	
Organizational leadership guides its members in ethical decision-making process (LE8)	.735	
Professional ethical codes are in line with informal norms of organization (LE9)	.647	
Implementation of Ethical Code (IKE)		.685
Auditors are required to read and understand the ethical codes (IKE1)	.838	
Auditors are given the tools to consult about ethical codes (IKE2)	.869	
Auditors are expected to be able to assess and decide on their actions in accordance with ethical codes (IKE4)	.773	
Compliance to Authority (KTO)		.817
Claims to obey the leaders (KTO 1)	.924	
Auditors always do what leaders instruct (KTO 2)	.883	
Personal Value		
Conservation (K)		.672
Self-discipline (K10)	.853	
Family secure (K12)	.865	
National secure (K13)	.756	
Stick to beliefs and religious beliefs (K3)	.851	
Spiritual life (K6)	.782	
Resolute (K7)	.840	
Obedience (K9)	.785	
Self-transendence (TD)		.720
Tolerance to various ideas and beliefs (TD1)	.858	
Wisdom (TD2)	.856	
The same opportunity to everyone (TD4)	.830	
Self-enhancement (PD)		.686
Social acceptance (PD10)	.756	
Ambitious, hardworking, and aspiring (PD3)	.843	
Can control others (PD6)	.769	
Wealth (PD8)	.932	
Openness to change (KTP)		.701
Pride (KTP 6)	.827	
Pleasant life (KTP 7)	.686	
Dare to venture and take a risk (KTP 8)	.908	
Life filled with challenge, novelty, and change (KTP 9)	.909	
Moral Philosophy		
Idealism (I)		.511
People make sure that the actions they will take not harm others, no matter how small the loss (I1)	.760	
Causing someone at risk is an action that cannot be tolerated, no matter how much risk occurs (I2)	.602	
Decisions/actions that have the potential to harm others is something that's always wrong, no matter how much benefit will be gained from the decision/action (I3)	.635	
Someone shouldn't hurt others, physically or mentally (I4)	.672	
Someone shouldn't take actions that could threaten the dignity and welfare of others, no matter how (I5)	.820	
If any actions can harm innocent person, that action shouldn't be done (I6)	.776	
Relativism (R)		.627
Does ethical varies from one situation to another, from one community to another (R2)	.797	
Moral standards must be seen individually, what we consider as moral may not necessary for others (R3)	.741	
The difference about moral cannot be fixed(R4)	.815	
The question about what is ethical for everyone will never be answered because it depends on each individual (R5)	.919	
Moral standards are simple rules used to guide yourself. This standard cannot be used to judge others (R6)	.735	
Rigid codification of ethical codes which is used to prevent certain actions can block relationships and adaptation between individuals (R8)	.729	
Dysfunctional Actions (BD)		.542
Review documents superficially (BD3)	.734	
Failed to examine the accounting principle used by clients (BD4)	.772	
Reduce the number of audit procedures based on logical reasons (BD5)	.732	
Stop the audit programs without completing the work that should have been done (BD6)	.704	
Auditors Acceptance of dysfunctional behavior (MPD)		.532

Audit was prematurely terminated, because they believed that the existing audit procedures wouldn't produce finding, because there were no problems with client's systems or documents in previous audit (MPD1)	.739	
The audit was prematurely terminated because the auditor was convinced there were no more audit steps needed to be taken to find out the client's faults. (MPD3)	.786	
Underreporting of time because it can increase the chances of promotion (MPD 4)	.644	
Underreporting of time because it's leaders' advice or command (MPD6)	.740	

- Discriminant Validity

Table III shows that the discriminant validity of this research model is good because the square root of AVE for each construct is greater than the correlation between constructs in this model.

TABLE III. FORNEL-LACKER CRITERION

	BD	I	IKE	KTO	KTP	K	LE	MPD	PD	R	TD
BD	*.736*										
I	.192	*.715*									
IKE	-.029	.159	*.828*								
KTO	-.052	.040	.119	*.904*							
KTP	.017	.267	.441	.065	*.837*						
K	.252	.442	.292	.089	.713	*.820*					
LE	-.241	-.047	.702	.137	.369	.164	*.718*				
MPD	.088	-.245	.150	.471	-.079	-.227	.061	*.729*			
PD	-.082	.113	.382	-.037	.688	.472	.265	-.253	*.828*		
R	.001	.015	-.176	.129	.029	-.231	.047	.364	-.229	*.792*	
TD	.283	.334	.240	.194	.669	.697	.166	-.103	.377	.011	*.848*

C. *Hypothesis Testing*

Table IV and picture I shows that ethical environment was found to be statistically influential on auditor actions and acceptance for dysfunctional behavior. The effect of organization's ethical environment on dysfunctional actions has a significance value of 10% with a coefficient of -.416. The effect of organization's ethical environment on auditor's acceptance for dysfunctional behavior has a significance value of $.039 \leq .1$ with a coefficient of -.381. The implementation of ethical codes and compliance to authorities have a significant positive effect on auditor acceptance for dysfunctional behavior. Effect of implementation of ethical code of auditors on the acceptance for dysfunctional behavior has a significance value of $.012 \leq .1$ and a coefficient of .552. Effect of compliance to authority of auditors acceptance of dysfunctional behavior has a significance value of $.009 \leq .1$ with a coefficient of .434. It can be interpreted that the first and second hypotheses can be accepted. Organizational ethical culture has an influence on auditor actions and acceptance for dysfunctional behavior.

By using a significance value of 1%, 5%, and 10%, found that there was no personal value effected the dysfunctional auditor's actions. The effect of self-enhancement was found to have a significant negative effect on auditor acceptance for dysfunctional behavior with a significance value of $.056 \leq .1$ and a coefficient of -.285. It can be interpreted that the fifth hypothesis of this study is rejected, while the sixth hypothesis is accepted. Personal value has no effect on auditor dysfunctional actions, but affects the auditor's acceptance for dysfunctional behavior.

Conservation has a significant positive effect with a significance value of $.037 \leq .1$ and a coefficient of .473. Conversely, conservation has a significant negative effect on relativism with a significance of $.006 \leq .101$ and coefficient of

-.596. Self-enhancement has a significant negative effect on relativism with a significance of .021 ≤ .1 and a coefficient of -.468. Openess to change has a significant positive effect on relativism with a significance value of .010 ≤ .1 and a coefficient of .673. It can be interpreted that the seventh hypothesis in this study was accepted. Personal value has an effect on auditors' moral philosophy.

Moral philosophy has no significant effect on auditors' dysfunctional actions with a significance value of .804 ≥ .1 and a coefficient of -.046 for the idealism and significance of .342 ≥ .1 with a coefficient of .172 for relativism. Idealism has a significant negative effect on auditor acceptance for dysfunctional behavior with a significance value of .015 ≤ .1 and a coefficient of -.372. Relativism has a significant positive effect on auditor acceptance for dysfunctional behavior with a significance value of .023 ≤ .1 and a coefficient of .350. This study failed to support the eighth hypothesis and successfully supported the ninth hypothesis. Auditors moral philosophy is found to have no effect on auditor dysfunctional actions, but has an influence on auditor acceptance for dysfunctional behavior.

TABLE IV. PATH COEFFICIENT-BOOTSTRAPPING

Description	O	t-value	p-value
Effect of Personal Value to Moral Philosophy			
Conservation → Idealism	**.473**	**2.097**	**.037**
Conservation → Relativism	**-.596**	**2.771**	**.006**
Self-transcendence → Idealism	.076	.292	.770
Self-transcendence → Relativism	.152	.673	.501
Self-enhancement → Idealism	-.105	.409	.682
Self-enhancement → Relativism	**-.468**	**2.308**	**.021**
Openness to change → Idealism	-.048	.149	.882
Openness to change → Relativism	**.673**	**2.595**	**.010**
Effect of Moral Philosophy to Dysfunctional Actions			
Idealism → Dysfunctional act	-.046	.248	.804
Relativism → Dysfunctional act	.172	.951	.342
Effect of Moral Philosophy to Auditors Acceptance of dysfunctional behavior			
Idealism → Auditor acceptance of dysfunctional behavior	**-.327**	**2.436**	**.015**
Relativism → Auditor acceptance of dysfunctional behavior	**.350**	**2.286**	**.023**
Effect of Organizational Ethical Culture to Dysfunctional Actions			
Ethical environment → Dysfunctional act	**-.416**	**1.642**	**.101**
Implementation of ethical code → Dysfunctional act	.336	1.415	.158
Compliance to authority → Dysfunctional act	-.134	.821	.412
Effect of Organizational Ethical Culture to Auditors Acceptance of dysfunctional behavior			
Ethical environment → Auditors acceptance of dysfunctional behavior	**-.381**	**2.067**	**.039**
Implementation of ethical code → Auditors acceptance of dysfunctional behavior	**.552**	**2.509**	**.012**
Compliance to authority → Auditors acceptance of dysfunctional behavior	**.434**	**2.608**	**.009**
Effect of Personal Value to Dysfunctional Actions			
Conservation → Dysfunctional act	.383	1.251	.212
Self-transcendence → Dysfunctional act	.350	1.307	.192
Self-enhancement → Dysfunctional act	-.096	.380	.704
Openness to change → Dysfunctional act	-.402	.950	.343
Effect of Personal Value to Auditors Acceptance of dysfunctional behavior			
Conservation → Auditors acceptance of dysfunctional behavior	-.038	.149	.882
Self-transcendence → Auditors acceptance of dysfunctional behavior	-.141	.680	.497
Self-enhancement → Auditors acceptance of dysfunctional behavior	**-.285**	**1.917**	**.056**
Openness to change → Auditors acceptance of dysfunctional behavior	.184	.587	.558

Note: ■ *has a statistically significant influence*

TABLE V. INDIRECT EFFECT-BOOTSTRAPPING

	(O)	*P Values*
Idealism -> Dysfunctional act		
Idealism -> Accept dysfunctional actions		
Implementation of ethical code -> Dysfunctional act	.008	.954
Implementation of ethical code -> Idealism	.123	.327
Implementation of ethical code -> Openness to change		
Implementation of ethical code -> Conservation		
Implementation of ethical code -> Accept dysfunctional actions	-.171	.258
Implementation of ethical code -> Self-enhancement		
Implementation of ethical code -> Relativism	-.111	.459
Implementation of ethical code -> Self-transcendence		
Compliance to authority -> Dysfunctional act	.091	.422
Compliance to authority -> Idealism	.050	.656
Compliance to authority -> Openness to change		
Compliance to authority -> Conservation		
Compliance to authority -> Accept dysfunctional actions	-.005	.962
Compliance to authority -> Self-enhancement		
Compliance to authority -> Relativism	.034	.776
Compliance to authority -> Self-transcendence		
Openness to change -> Dysfunctional act	.118	.434
Openness to change -> Idealism		
Openness to change -> Accept dysfunctional behavior	.252	.129
Openness to change -> Relativism		
Conservation -> Dysfunctional act	-.124	.430
Conservation -> Idealism		
Conservation -> Accept dysfunctional behavior	**-.364**	**.029**
Conservation -> Relativism		
Ethical environment -> Dysfunctional act	-.064	.681
Ethical environment -> Idealism	-.049	.744
Ethical environment -> Openness to change		
Ethical environment -> Conservation		
Ethical environment -> Accept dysfunctional actions	.087	.582
Ethical environment -> Self-enhancement		
Ethical environment -> Relativism	.126	.430
Ethical environment -> Self-transcendence		
Self-enhancement -> Dysfunctional act	-.076	.475
Self-enhancement -> Idealism		
Self-enhancement -> Accept dysfunctional actions	-.129	.290
Self-enhancement -> Relativism		
Relativism -> Dysfunctional act		
Relativism -> Accept dysfunctional actions		
Self-transcendence -> Dysfunctional act	.023	.783
Self-transcendence -> Idealism		
Self-transcendence -> Accept dysfunctional actions	.029	.801
Self-transcendence -> Relativism		

Note: ■ ***has a mediating effect***

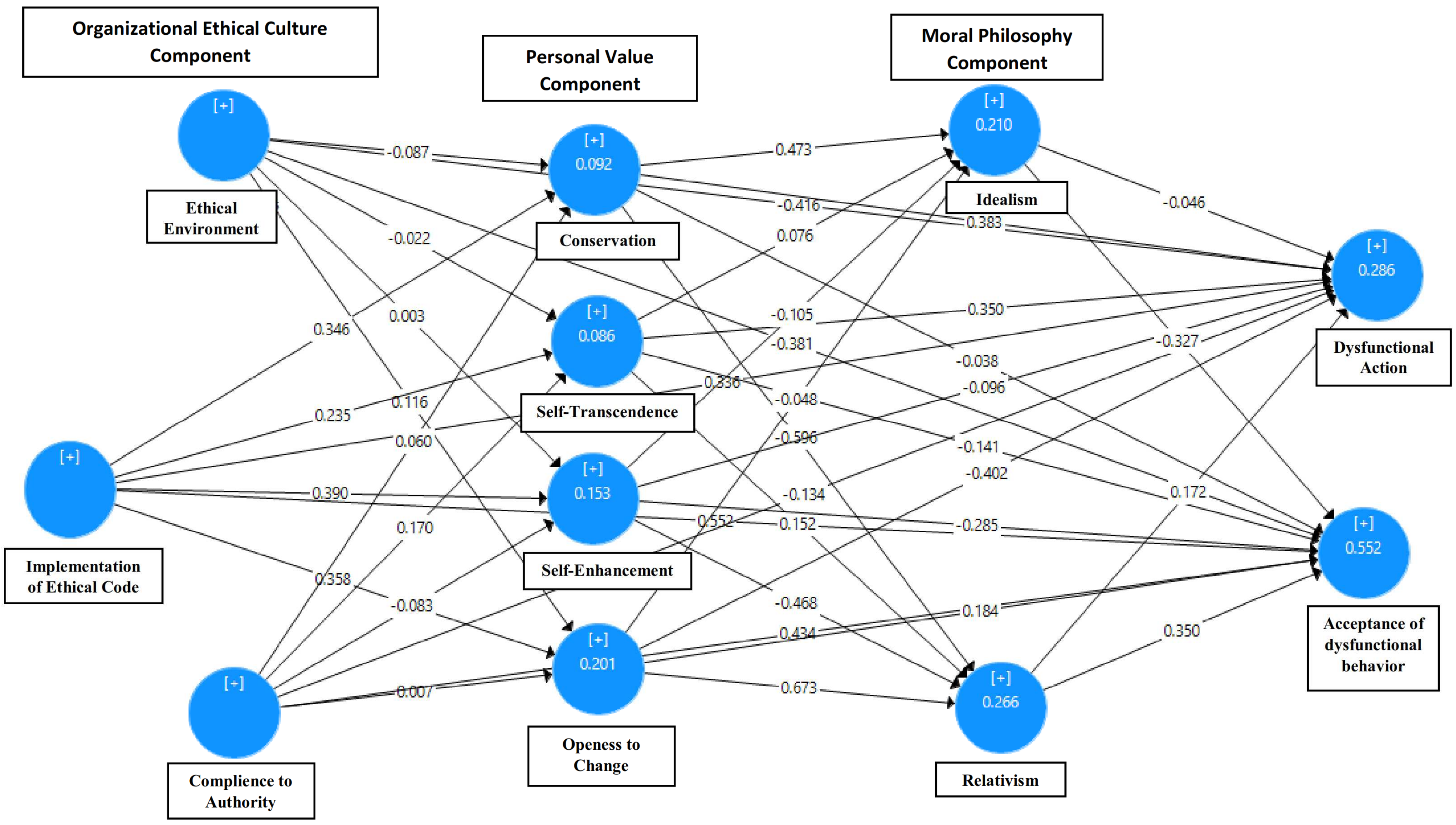
Table V show that personal values and moral philosophy don't mediate the relationship between organizational ethical culture and auditor's actions and acceptance of dysfunctional behavior. It means that the third and fourth hypotheses are rejected. Moral philosophy is found to mediate the relationship between personal value and auditor acceptance of dysfunctional behavior. Conservation has a significant negative effect on auditors' acceptance for dysfunctional behavior through idealism with original sample (o) value of -.336 and p-value .029 < .05.

TABLE VI. TOTAL EFFECT-BOOTSTRAPPING

	(O)	*P Values*
Conservation -> Accept dysfunctional behavior	-.401	.076

Table VI above shows that p-value of the influence of conservation towards auditor acceptance of dysfunctional behavior is .076 > .05. It means that conservation affects the auditors' acceptance of dysfunctional behavior through idealism.

PICTURE I INDIRECT EFFECT-BOOTSTRAPPING



V. CONCLUTION

Organizational ethical culture has a direct effect on auditor actions and acceptance for dysfunctional behavior without being mediated by personal values and auditors' moral philosophy. Organizational ethical culture is able to prevent auditor actions and acceptance for dysfunctional behavior, but doesn't make auditors belief (personal values and moral philosophy) changes about actions and acceptance to these behaviors. There are no personal characteristics, i.e. personal values and moral philosophies that influence auditors' dysfunctional actions. The auditors' dysfunctional actions are only influenced by organizational characteristics, i.e. the ethical environment of organization. However, these personal characteristics have an influence on auditors' acceptance for dysfunctional behavior. Strong ethical environment will be able to overcome auditor actions and acceptance for dysfunctional behavior. But implementation of ethical code and compliance to authority has an influence that is comparable to auditors' acceptance for dysfunctional behavior. Conservation has a negative influence on auditors' acceptance for dysfunctional behavior through idealism. The results also show that self-enhancement has a direct negative effect on auditors' acceptance for dysfunctional behavior. Auditor who tend to have moral philosophy of idealism and not relativism is auditor having personal value of conservatism and self-enhancement. While the auditor who tend to relativism is the auditor who has a personal value of openness to change. Auditors who have a moral philosophy of relativism will tend to accept dysfunctional behavior, while the idealism auditor will tend to reject such behavior.

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