Analysis of students' ethical judgement towards fraud and corruption

Habib W Alfachri, Mahmudi, Sugeng Indardi, Yunan Najamuddin

Universitas Islam Indonesia
e-mail: habib24fachri@gmail.com, mahmudi@uii.ac.id, 883120103@uii.ac.id, 883120101@uii.ac.id

Abstract

We are dealing with ethical judgment many times and on occasion in our daily activities. This study was intended to find out the impact of religiosity, academic background, and students' activity on campus on ethical judgment toward fraud and corruption. This study is quantitative research with a survey approach. Respondents of this research are the students from Universitas Islam Indonesia and Universitas Teknologi Yogyakarta. There are 206 respondents who participated in this research, 103 from each campus. Data analysis was conducted through multiple linear regression and independent sample t-test. This study found that religiosity and students' activities have a positive and significant effect on students' ethical judgment towards fraud and corruption, while academic background does not have a significant effect on the ethical judgment of fraud and corruption.

Keywords: Ethical Judgement, Religiosity, Students' Activities, Academic Background, Fraud, Corruption.

INTRODUCTION

There are several reasons why fraud could happen, one of the very famous theories is the fraud triangle theory. Cressey in 1953 as cited by Zamzam (2017) mentioned that there are three main reasons why people doing fraud, which are opportunity, rationalization, and pressure. Those reasons are related to each other, and those reasons led this research to ethical judgement as the main focus. Ethical judgements are crucial in our life, it plays their roles in every single decision-making process, which is why the way people's ability in making ethical judgement is very important. That ability is affected by some factors, in general, we can classify it into SQ or spiritual quotient, IQ or intelligent quotient, and EQ or emotional quotient. It is strengthened by research results conducted by Wahyuningsih and Suryadi (2018) who found that there is a strong and important impact, jointly among IQ, SQ, and EQ on the ethical behaviour of accounting students. Living in this era with great IQ, SQ, and EQ would be very useful since nowadays are the disruption era.

People take a lot of consideration when they are planning to conduct fraud, like their principle, way of life, and religion. It is clearly stated in most religions that doing fraud is not a good thing to do, or even some of them prohibit fraud. Religion as stated in Merriam Webster Dictionary (2019) is a personal set or institutionalized system of religious attitudes, beliefs, and practices. There is a lot of religion in this world, but most religion does not support or even prohibits something that is achieved by fraud or corruption. One of the religions which do not support fraud and corruption activities is Islam. Even though Indonesia is dominated by Muslims, it does not mean that the country is free of fraud. Based on the Corruption Perception Index, Indonesia's score for corruption is 38 out of 100, while the country's position is 89 among 180 countries.

Another thing that also affects is the academic background of the people. People with business and economics faculty have a deeper understanding of fraud compared to the other major since they interact with fraud study cases in their daily life. They are even more advanced frauds. In academic life, the student who joined several students' activities on campus also might affect their decision-making process. The research conducted by Sulaeman (2017) found that some of the students who joined campus activities also affected the student's performance in many aspects. The research conducted by Besedes *et al* (2011) proves that people with a graduate degree have more chance to choose the optimal option

compared to not, so we can indirectly say that age also affects people's decision-making process, in this term the ethical judgement towards fraud and corruption.

Based on what was discussed previously, the research problem proposed is:
1. Does religiosity influence ethical judgement towards fraud and corruption?
2. Whether the students who joined any organization activity on the campus have a better ability in taking ethical judgement towards fraud and corruption?
3. Whether students from the Faculty of Business and Economics have a greater ability to make ethical judgement towards fraud and corruption than students from another faculty?

LITERATURE REVIEW

Fraud

Fraud is harmful to any entities in this world since what they did is not supposed to be done and also the impact of the fraud is not only for the entity but also to the entire systems in the entities. It also can affect some small details that we think might never have the impact of the fraud, but the truth is the impact of the "games" is way too broad. Several theories are explaining the reason that people have for having fraud, namely:

1. Fraud Triangle (Cressey, 1953)

   Cited from research conducted by Zamzam, Mahdi, and Ansar (2017), the fraud triangle is a theory found by Donald R. Cressey, in his research entitled *Other's People Money: A Study in the Social Psychology of Embezzlement* explained that there are three reasons of why people doing fraud, which is:

   a. Pressure

   Pressured is a condition where someone feels like there are obligations to make them achieve what they want, and where they found a dead end, then there is no more way than doing fraud. This pressure can come from the fraudster him/herself as an internal factor, the environment as the external factor such as family, friends, colleagues, and any other else.

   b. Opportunity

   Opportunity is a gap or flaw of an organisation or systems used by the fraudster to execute their plan. We can say that the opportunity is an external factor, but also at the other hand even though there is a chance of doing fraud, then there is the individual principle being examined. Albrecht in research conducted by Zamzam (2017) said that several factors might be the reasons for the opportunity occurrence such as there is no adequate internal control to prevent or detect fraud, failure in keeping compliance, and there is no checking process.

   c. Rationalization

   The rationalization is an internal conflict in the perspective of the fraudster, whether they should do this or not, and what justifications they should use if they doing this. This rationalization is done before they do the fraud and is the justification for doing the fraud. According to Pamungkas (2014), rationalization could happen when the potential fraudster thinks that their act is not considered illegal although it is still considered to be unethical. For example, someone planning to "borrow" some money from an organization without anyone's acknowledgment, so they think that they can give back the money that they took in the future before someone else realize that some amount of the money is missing.

2. GONE Theory (Bologne, 1993)

   There is a continuation of the fraud triangle theory in 1993, issued by Jack Bologne. The GONE theory states that there are several reasons why people doing criminal acts. He stated that there are several reasons that humans doing fraud, namely greed, opportunity, needs, and exposure. The research regarding the GONE theory is still limited. Greed and need come from the individual factor of the fraudster, while opportunity and exposure can be considered as the general factor, which it comes from the company (Isgiyata, 2018).

3. Fraud Diamond, by Wolfe (2004)

This theory is an improvement of the previous theory developed by Cressey, the Fraud Triangle. Since this is the continuation of a theory, so almost all of the theory about it is similar to the theory developed by Cressey. It just has one more additional reason why people commit fraud. Wolfe (2004) agreed with the three reasons why people doing fraud, but he also thinks that all of those three reasons could not work without capabilities. According to him, fraud can happen in a place supported by the capabilities of the fraudster.

Ethical Judgement

In accounting, especially the auditing field, the way decision-making is much more crucial compared to other fields, which requires us to have good ethical judgment. Ethical Judgement is the rationale for possible actions in the case and the evaluation of the most moral actions (Narvaez, 2001). Based on that statement, we can say that ethical judgment is like reasoning, the way someone chooses their decision, or/and the reason why people choose theirs. A person making an ethical judgment uses reason to decide what the best solution or decision is to a problem. S/he contemplates such questions as "what is the best action to take for this case?"

According to Bransford & Stein in Narvaez (2001), the very basic step of problem-solving and decision making is understanding the problem. Understanding the problem becomes a crucial thing because it is related to ethical judgment in the end. In this research, the student's ability in making ethical judgement will be analyzed and compared from the campus with religiosity-affiliated and non-religiosity affiliated. Furthermore, this research will also try to investigate whether students from economics and business academic background has a better ability in making ethical judgement compared to students from other academic backgrounds. Previous research found that the business ethics course was able to increase the student's ability in making an ethical judgement (Saat, 2011). This is the very base of this thought because students from business and economics backgrounds are usually taught in their curriculum about business ethics, which triggered the researcher to investigate it. Another thing that makes the researcher want to explore more in the ethical judgement area is the students who joined the organization are expected to have better abilities in thinking, management, and other things (Garner, 2012), which led the researcher to curiosity in finding whether the students who joined students' extracurricular activities or organization has better ability in making an ethical judgement.

Religiosity

We can see a lot of things affected by religion, they are everywhere, in every inch of our joints. In Indonesia even more, they will not let their citizen have an ID card without obligating them to choose one out of five beliefs that are recognised in Indonesia. Therefore, religion almost affects our life as a whole, especially in the way we behave, making a decision, and many more. In general, religion affecting the way we think, so it would be very interesting to find out whether the religiosity also affecting ethical judgement towards fraud and corruption.

Students Activity

There are several types of students, those who joined organizational activities both in campus or outside of campus, or those who choose to only focus on their in-class or academic things. It is not a bad thing when someone wants to choose to focus more on the academic stuff or wants to do both extracurricular and academic because the most important thing is, they learn, both of those things should provide similar things in their way. It is strengthened by Aulia's statement in Herlyana et al, (2017), who said that the results of education should not only knowledge but also personal integrity. Yet when it comes to reality in the class is different, students only focus on their marking or score, number instead of value.

Therefore, extracurricular activities will help the students in developing soft skills. Research conducted by Norhidayah (2019) resulted in five aspects affecting the performance of the students in the class, one of them is the student's extracurricular. The research results show that the students who engaged in extracurricular activities tend to have better scores in the GPA compared to the ones who

not, which indicates that there are possibilities for the students who choose to join extracurricular have a better ability to critically think or make better decisions.

There is a gap between those research results and the current condition which make researcher wonder. Those research results show that the students who joined extracurricular like organizational activities are positively significant with their thinking ability, their score or GPA, in-class performance, and many more. But are they better in making ethical judgement towards fraud and corruption? For this research, extracurricular involvement applies to any events that are funded or not funded by the campus and are optional or those that have entered some non-campus association that fulfills two basic conditions: they are not part of the regular curricular curriculum of the campus and are in some form organized.

Academic Background

In this research the researcher will focus more on the academic background of someone concerning their ethical judgement towards fraud and corruption, to be specifically comparing the economics and business students, and the other major or faculties students. The reason of why the researcher chooses to focus more on this area is because someone from the economics and business faculty is given the material regarding fraud and corruption itself, they handle a lot of study cases or examples in their daily life. They have not given this material so that in the future they can use these lessons to conduct their fraud or corruption, yet they will use these lessons to prevent, detect, and investigate fraud and corruption instead. As mentioned by Peterson (2003), accounting students should provide improvement services by arming students with fraud knowledge.

Caliyurt (2006) on her research gathered several course syllabi of economics and business students, especially accounting, in different universities, and she found out that the universities give their students business ethics course syllabi, and also fraud case syllabi which cover the nature of fraud, who commits the fraud and why, fraud prevention and detection, management fraud, other types of fraud, and the fraud resolution. From those results, we can imply that the students from the economics and business faculty have a better understanding in terms of fraud and corruption compared to the students from other faculties. But does that understanding make their ability in making ethical judgement towards fraud and corruption better compared to the other students from another academic background?

HYPOTHESIS DEVELOPMENT

The Effect of Religiosity on Ethical Judgement towards Fraud and Corruption

As explained previously, religion influences our way of living in many ways. Especially in Islam, they explicitly prohibit their people to do or even getting close to fraud. Cited from WorldMeter.Org (2019), Indonesia is one of the most populated countries in the world, ranked at 4th place, and data from Pew Research Center (2010) shows that Majority of Indonesian is Muslims, with 200 million believers. Furthermore, religion is included in the subject for a primary school in Indonesia, which means that the government put the religion value in their education systems from the very first moment.

In addition to that, religion currently also offered by the higher education provider. There so many education providers who choose to affiliate their campus to religion, which need several adjustments in their learning process. In religion-affiliated campus, the education towards the religion value is way more emphasized and detailed, they try to link the reality and the religion value in almost every subject they teach. Research conducted by Zamzam, Mahdi, and Ansar (2017) resulted in religiosity being in the last position to affect academic fraud students while Herlyana, Sujana, and Prayudi (2017) resulted in the students' religiosity and spirituality have negative significance in their academic fraud. Therefore, the researchers want to figure out whether students' religiosity plays a significant role on the ethical judgement towards fraud and corruption, and the first hypothesis can be written as follows:

H1: Religiosity has a positive effect on students' ethical judgement towards fraud and corruption

The Effect of Students' Activity on Ethical Judgement towards Fraud and Corruption
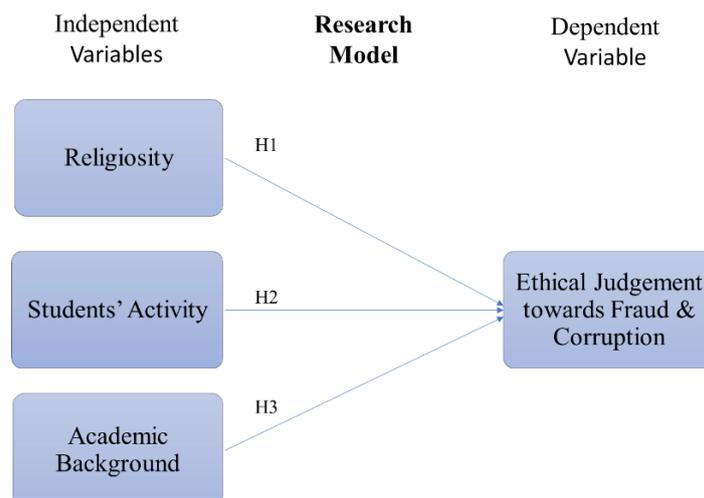
As proven by the previous research, students' activities like extracurricular and organizational campus activity are proven in boosting the students' performance. It happened a long time ago, since we were at a young age, the more we act, the more we learn and think. In conclusion, students who joined extracurricular like organizational activities are expected to be better in many ways and that is not a secret anymore. One of the results of those activities is the ability to think critically, which will affect someone's way of seeing problems. Someone's ability in making ethical judgement is made based on the way they see the problem. This is the reason for researchers feel triggered to find out about the relationship between those two things, whether joining students' activities or extracurricular affecting the way students make their ethical judgement towards fraud and corruption. With that kind of understanding, then the second hypothesis can be written as follows:

H2: Students who joined in campus extracurricular activities have a better ability in making ethical judgements towards fraud and corruption compared to those who did not join any.

The Effect of Students' Academic Background on Ethical Judgement towards Fraud and Corruption

As mentioned earlier, the students in economics and business faculties are given knowledge even more specific regarding fraud compared to the other students from other educational backgrounds. These fraud lessons are given to expecting the students' ability to prevent, detect, and investigate the fraud itself as mentioned by Peterson in his research (2003). Based on the research results, we can conclude that the students with economics and business academic backgrounds have a deeper understanding related to fraud compared to other majors from the other faculties. Research in Turkey conducted by Caliyurt (2006) shows that their respondents believe that fraud education will help the prevention of fraud itself. Therefore, the researcher is wondering whether the results of students with economic and business academic backgrounds might be different compared to the other majors or faculties. From that explanation, we can make the third hypothesis as stated below:

H3: Students who come from economics and business faculty have a better ability in making ethical judgement towards fraud and corruption compared to the students from other faculties.

RESEARCH METHOD

Sample

The researcher chooses Yogyakarta college students as the sample. The students will be divided into two groups that come from the campus with religion-affiliated and the campus without religion-affiliated.

Since the focus of the religiosity used in this research is based on the Islamic point of view, therefore the respondent of this research is limited to the campus with Islamic religion-affiliated campus. Furthermore, the researcher use a private university in choosing the sample. In this research, the campus chosen is Universitas Teknologi Yogyakarta as the general campus with no religion affiliated and Universitas Islam Indonesia as the campus with religion affiliated. The respondent will be recorded, and then classified into some level, whether they are from a religion-affiliated campus or not, have an economics and business academic background, and join extracurricular like organizational activities.

Data Collecting Method
This research used primary data which was gathered by distributing the questionnaire to 206 respondents, 103 from UII and the other 103 from UTY. The scope of the area is only in Yogyakarta, specifically UII students and UTY students.

Research Variables
This research has one dependent and three independent variables. Further detail about research variable is explained below:

Dependent Variable
This research is trying to focus on the student's ability in making an ethical judgement, whether they have better ability compared to another. Instead of using general ethical judgement, this research is trying to focus on a more specific area, ethical judgement towards fraud and corruption. There is an instrument called DIT or defining issues test which was founded by James Rest in 1974, but that test is only focused on the general ethical judgement. To ensure that this research is using the right instrument to find out the ethical judgement towards fraud and corruption, the researcher combines several cases from previous research so that the results obtained would be more precise and reliable.

Independent Variable
Generally, there are three independent variables used in this research, which are students' religiosity, students' academic background, and students' activity. The detailed explanation will be described as follows:

Religiosity
The religiosity in this research was meant to imply that students who come from Universitas Islam Indonesia or UII, have a better ability in terms of religiosity since the education curriculum involves religiosity value, compare to general campus with no religion affiliated like Universitas Teknologi Yogyakarta or UTY. Therefore, in this research, the respondent will directly be divided into two, those who come from UII as a religion-affiliated campus and those who come from UTY as a non-religion-affiliated campus. Since the option is only two, so the regression model used in this research are dummy variable. According to Suits (1975), a dummy variable is a variable used for quantifying a qualitative object like race, gender, different situation, etc, a categorical variable that will have connections, relation, or continuation with other variables. Furthermore, to get the student's religiosity deeper, the researcher will also include some questions from Islamic Religiosity Scale (IRS) by Tiliouine et al (2009) and edited so that all religion can fit this questionnaire. The questions are measured using 6 points Likert Scale, 1 for never, and getting higher into 6 for always.

Students' Academic Background
The students' academic background, it is pretty similar to the religiosity variable. The students' academic background will be divided into two, those who come from the economics and business faculty, or those who come from other faculties, which also means that in this variable, the dummy variable will also be used.

Students Activity
To find out whether the students who joined the organization have a better ability in making ethical judgement towards fraud and corruption, the respondents will be asked whether they have ever joined

any organization both inside or outside of the campus or not. Subsequently, the researcher will ask about how many organizations they joined and the duration of joining the organization, how long they have joined it, so the researcher is able to categorize those who are active in the organization or those who only joined without any goals or purpose. There will be 5 options for how long they have joined the organization, the first one is less than six months (<6 months), then six months until a year (<6 months – 1 year), then a year until two years (1 year – 2 year), two years until three years (2 years – 3 years), and last is more than three years.

Data Analysis Method
This research is quantitative research. Data is analyzed using SPSS software. To test the hypothesis proposed, this study employed multiple linear regression and independent sample t-test. Before conducting regression analysis, this study conducted descriptive analysis, validity and reliability test, and classical assumption test.

RESULTS AND DISCUSSIONS

Data Gathering Results
The respondents in this research are divided into two in general, active students who come from UII, and active students who come from UTY. The questionnaires are spread to 207 respondents, and all of the responses are usable. Since the number of total responses is odds, therefore researchers decided to exclude one sample from the respondent, so the total respondent is 206, where 103 of them are active students from UII and the other 103 are active students from UTY.

Respondent Characteristics
In this research, the respondents' characteristics are categorised into gender, age, campus, major, and students' activity.

Table 1. Characteristics of Respondent

Charakteristics	Σ	%
Gender		
Male	100	49%
Female	106	51%
Age		
16-18	10	4%
19-21	128	63%
22-25	68	33%
Campus		
UII	103	50%
UTY	103	50%
Academic Background		
Business and Economics	115	56%
Other Major	91	44%
Students' Activity		
Join	127	62%
Not Join	79	38%

From the data gathered, researcher found that there are 106 respondents with female gender or in other words 51% of the total respondents, while the other 100 are male with the percentage of 49%. After gathered the data, the respondent are mostly in the age of 19-21, with 128 respondents in total or 63% of the respondent. The next group are the students with age 22-25 with a percentage of 68%. The last group are the respondent with age 16-18, with total count only 10, or 4% out of the total respondent.

The researcher also finds out whether the respondent is students who come from economics and business faculty or students who come from the other major. After distributing the questionnaire, turns out that there are 115 students have economic and business background with 56% as the percentage. On the other hand, 91 students have no economics and business background with a percentage of 44%.

This category is intended to find out whether the students are ever or have been joined any students' activities inside of the campus or from the outside of the campus. According to the data gathered, 127 students in total joined or involved in organisational activity with a percentage of 62%. At the same time, there is 79 respondent who has never joined or involved in any organisational.

Instrument Test

Validity Test
The validity test is done using SPSS with Pearson Correlation approach. This test is comparing the R count value with the R table value. If the R-value of the test is higher than the R table value, then the question of the instrument is considered as valid. Based on the results of validity test using SPSS, all of the questions asked from religiosity variable, and ethical judgement variable are higher than the R table value, which make us conclude that the instrument is valid.

Table 2. Validity Test

Variable	Instrument Code	R count	R table	Results
Religiosity	R1	0.733	0,138	Valid
	R2	0.629	0,138	Valid
	R3	0.663	0,138	Valid
	R4	0.735	0,138	Valid
	R5	0.598	0,138	Valid
Ethical Judgement	EJ1	0.716	0,138	Valid
	EJ2	0.841	0,138	Valid
	EJ3	0.837	0,138	Valid
	EJ4	0.807	0,138	Valid

Reliability Test
The reliability test is conducted using Cronbach's Alpha approach. The result of this testing is considered reliable when the Cronbach's Alpha value is at least 0.6, the closer the results into 1, the more reliable the instrument is. After conducting the test, both religiosity and ethical judgement Cronbach's Alpha score are higher than 0.6, so we can conclude that the question in the questionnaire on each variable is considered as reliable. Just like in the validity test, some other variables like the students' activities and their academic background are measured using a dummy variable, meaning that the reliability test is not necessary for these two variables.

Table 3. Reliability Test

Variable	Cronbach's Alpha	Critical Value	Conclusion
Religiosity	0.698	0.60	Reliable
Ethical Judgement	0.808	0.60	Reliable

Descriptive Statistics
The descriptive statistic test is done using SPSS and we can see the minimum, maximum, standard deviation, and mean in detail for each variable. From the descriptive statistic results analyzed from the data, this study found that the minimum result score for the ethical judgement variable is 1, while the

maximum is 6 with the mean or average of the respondent are 5.09, meaning that mostly the respondent tends to not going to do the case given regarding ethical judgement, or in other words, they have good ability in making an ethical judgement in general. On the religiosity variable, the minimum value is 2 and the maximum are six, with average 4.50 meaning that the respondent religiosity level is at the 4.5 out of 6.

Table 4. Descriptive Statistic

Variable	Minimum	Maximum	Mean	Std. Deviation
Ethical Judgement	1	6	5.09	1.02
Religiosity	2	6	4.50	0.78

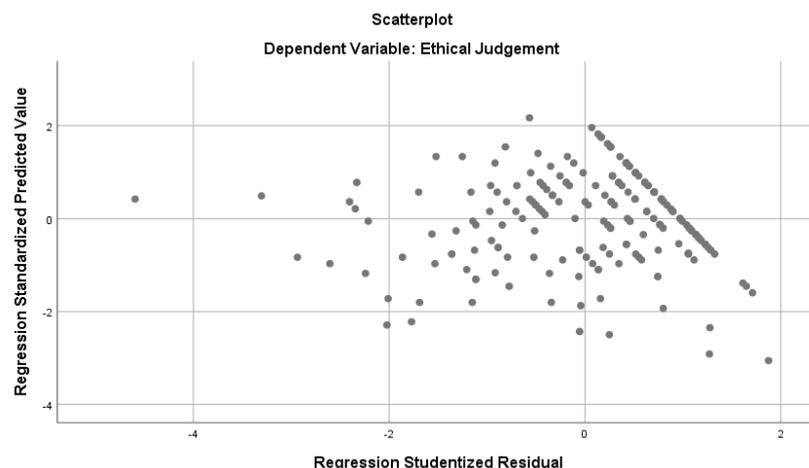**Classical Assumption Test**

Multicollinear Test
The multicollinear test is intended to analyse whether in the regression model used are found a correlation between the independent variable. After conducting the calculation using SPSS, the VIF value of each variable is lower than 10, meaning that the variables are free of the multicollinearity problem.

Heteroscedasticity Test
In this research, the method used in testing whether there is heteroscedasticity problem or not are test by using scatterplot graph. If the scatterplot graph is not making any special or specific pattern, and the dot is spread well above and around zero, then we can say that it is free of heteroscedasticity. The results of this research heteroscedasticity are shown as follows:

Figure 1. The Heteroscedasticity Test using Scatterplot

As we can see from the figure 4.1, the dots are spread without making any specific pattern and the dot are also spread around and above zero, which means that the regression model used in this research is free of heteroscedasticity problem.

Multiple Linear Regression
Multiple linear regression is done using SPSS. This regression is used to analyse how significant are the independent variable affecting the dependent variable. The variable will be considered as significant when the significance value is lower than 0.05, while when it higher will be considered as not significant. The multiple linear regression also can be used to analyse the direction of the impact occurs between affecting variables. The results of multiple linear regression are shown as follows:

Table 5. Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.808	0.519		3.486	0.001
Academic Background	0.239	0.134	0.116	1.782	0.076
Student's Activities	0.572	0.138	0.271	4.154	0.000
Religiosity	0.447	0.084	0.340	5.298	0.000

Independent Sample t-Test
In this research, the researcher has conducted several independent t-test comparisons to find out the difference of two groups, such as the religiosity between two campuses, ethical judgement between two types of major, and ethical judgement between students' activities. If the Sig. 2 tailed value is lower than 0.05, then the variable has significant differences between two groups. At the other hand, when the value of Sig. 2 tailed is higher than 0.05, then there is no significant difference in the results of the two groups.

Religiosity Between Two Campuses
This section will show the students' religiosity difference between UII students and UTY students. The data gathered has been analysed and the result is shown in the Table 6 as follows:

Table 6. Independent Sample T-Test of Religiosity Between Campus

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Religiosity	**Equal variances assumed**	6.395	0.012	0.003	0.32233	0.10679
	Equal variances not assumed			0.003	0.32233	0.10679

As we can see from Table 6 above, the sig. 2-tailed value is 0.003 which is lower than 0.05 so we can conclude that religiosity both campuses are significantly different. Further detail of this difference is shown in the Table 7 as follows:

Table 7. Group Statistics Result of Religiosity Between Campus

Group Statistics					
Campus		N	Mean	Std. Deviation	Std. Error Mean
Religiosity	**UII**	103	4.6680	0.66719	0.06574
	UTY	103	4.3456	0.85415	0.08416

The data shown in Table 7 telling us that that respondent from UII has a slightly higher mean compared to the UTY, with students from UII has mean 4.6 out of 6 in terms of religiosity, while on the other hand, students from UTY has mean 4.3 out of 6, meaning that UII students are better in terms of religiosity.

The data shown in the Table 7 tells us that religiosity has a significant and positive relationship to ethical judgement, meaning that **H1 is Supported.** This result is a bit contrary to the previous research conducted by Pamungkas (2014) who said that the tendency of doing accounting fraud is not determined by religiosity. It is also in accordance with the research by Zamzam, Mahdi, and Ansar (2017) with results that religiosity is in the last position in affection someone's tendency of doing fraud. This varied result might happen because there are several factors that also play a role in terms of making the ethical judgement instead of only religiosity, like SES or socioeconomic status, academic background, family, and internal and also other external factors. For instance, research by Purnamasari (2013) found that religion is affecting the students' tendency in doing academic fraud, but the position is on the middle, while the first thing is self-efficacy and the last is moral development. Another research, conducted by Putri (2016) also stated that there are so many variations of the religious impact on an aspect of someone's life, some of them have a positive and significant impact, while some of them have an insignificant impact.

Ethical Judgement Between Students Activity

Table 8. Independent Sample T-Test for Ethical Judgement Between Students Activity

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
Ethical Judgement	**Equal variances assumed**	16.816	0.000	-3.191	204	0.002
	Equal variances not assumed			-2.918	121.822	0.004

As we can see from Table 8 above, the significant two-tailed for ethical judgment are 0.004, which is lower than 0.05 so we can tell that there is a significant difference on the ethical judgment of the students who joined any organizational activity during their study and those who have not joined any organizational activity. Further detail of the difference will be shown in Table 9 below:

Table 9. Groups statistic of ethical judgement Between students' activity

Group Statistics					
Students' Activity		N	Mean	Std. Deviation	Std. Error Mean
Ethical Judgement	Not Joined Any Activities	79	4.8101	1.23725	0.13920
	Joined Any Activities	127	5.2697	0.82952	0.07361

As we can see from Table 9, the mean of ethical judgement for students who not involved in the organisation has mean 4.8 out of 6, while at the other hand, the students who have ever been joined any organisational activities have higher mean by 5.2 out of 6, which make it significantly different compared to those who have not involved in any organisational activities.

From this result, we can conclude that **H2 is supported**. Students who joined extracurricular activities have better abilities in making ethical judgement compared to those who not involved in organizational activities. The students who joined any campus activity has a positive and significant relationship on ethical judgement towards fraud and corruption.

This result is in line with the previous research conducted by Garner (2012) who said that students involved in organisational or extracurricular activities have better performance, and now in this research, it is proving that organisation is not only helping in academic life but also in terms of their ethical judgement towards fraud and corruption. This result also has congruent results with research conducted by Sulaeman (2017) who stated that students who joined organizational activities have better ability in critical thinking and are able to apply it on a daily basis. Another research that inlines with these results is the results conducted by Norhidayah (2019) who found that extracurricular activities are one out of five aspects that affect the students' performance in many ways, and now the performance is not only about the GPA performance but also ethical judgement ability, specifically for fraud and corruption.

Ethical Judgement Between Academic Background

Table 10. Independent Sample T-Test for Ethical Judgement Between Two Majors

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Ethical Judgement	**Equal variances assumed**	2.442	0.120	-0.990	0.324	-0.14264	0.14415
	Equal variances not assumed			-0.998	0.320	-0.14264	0.14299

As we can see in Table 10, the Sig. 2 tailed value is 0.320, meaning that there is no significant difference in the respondents' ethical judgement regardless they have business and economics academic background or not. Further detail of the difference between these two groups are shown in Table 11 as follows:

Table 11. Group Statistics of Ethical Judgement and Major

Group Statistics					
Major		**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Ethical Judgement	**FEB**	115	5.0304	1.05815	0.09867
	Non-FEB	91	5.1731	0.98720	0.10349

Group Statistics purpose is to explain the difference between these two groups in detail. As shown on the Table 11, the students who come from major other than economics and business faculties have slightly better ability in making an ethical judgement towards fraud and corruption, although the

difference is not significant by comparing mean from both variables. Students who come from economics and business faculties average score in making ethical judgement are 5.03 out of 6, while those who come from other faculties are 5.17 out of 6. From this analysis, we can conclude that the **H3 is not supported,** which indicates that the students with business and economics academic background have no better ability in making ethical judgement towards fraud and corruption compared to the students who come from another academic background.

This might happen because the students who come from economics and business faculties have a deeper understanding of fraud and corruption compared to other faculties, as mentioned by Peterson (2003). This deeper understanding makes the students know what they can do and cannot do to avoid fraud, while still getting the advantage. This result strengthens Wolfe and Hermanson statement about fraud diamonds, the fraud will never occur if there is no right person with the right capability of doing so. Caliyurt and Crowther (2006) said that fraud education is given to students with the expectation the students are able to help the fraud prevention it self.

CONCLUSIONS

In specific, this research is comparing the results from religion affiliated campus and campus with no religion-affiliated. In another aspect, this research also comparing the results from students who joined students' activities like organizational involvement and those who not joined at all, and also compare the students who have economics and business background to those who come from other faculties. From the research done and answered the hypothesis, we can conclude that religiosity has a positive and significant relationship to the students' ability in making ethical judgement, the more pious the students, the more their ability in making the ethical judgement. The students' activity has a positive and significant effect on the ethical judgement. Therefore, we can conclude that students who joined organizational activities have better ability in making ethical judgement related to fraud and corruption. Student's academic background has a negative but insignificant effect on the ability to make ethical judgement towards fraud and corruption. Therefore, we can conclude that no matter whether the students come from economics and business faculties or not, it is not affecting their ability in making ethical judgement.

REFERENCES

Ali, N., Jusof, K., Ali, S., Mokhtar, N., & Salamat, A. S. A. (2009). The factors influencing students'performance at universiti teknologi mara kedah, Malaysia. *Management Science and Engineering*, 3(4), 81-90.

Besedeš, T., Deck, C., Sarangi, S., & Shor, M. (2012). Age effects and heuristics in decision making. *Review of Economics and Statistics*, 94(2), 580-595.

Caliyurt, K. T., & Crowther, D. (2006). The necessity of fraud education for accounting students: A research study from Turkey. *Social Responsibility Journal*, 2(3-4), 321-327.

Countries in the world by population. *Worldometer*. Retrieved March 03, 2020, from https://www.worldometers.info/world-population/population-by-country/

Farooq, M. S., Chaudhry, A. H., Shafiq, M., & Berhanu, G. (2011). Factors affecting students' quality of academic performance: a case of secondary school level. Journal of quality and technology management, 7(2), 1-14.

Garner, J. (2012). A phenomenology of nonparticipation in extracurricular activities by Hispanic middle school students.

Herlyana, M. V., Edy Sujana, S. E., & Prayudi, M. A. (2018). Pengaruh religiusitas dan spiritualitas terhadap kecurangan akademik mahasiswa (Studi Empiris Pada Mahasiswa Universitas Pendidikan Ganesha Dan Sekolah Tinggi Keguruan Dan Ilmu Pendidikan Agama Hindu Singaraja). *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Undiksha*, 8(2).

Ibrahim, S. S., Man, N. C., & Noor, A. H. M. (2013). Fraud: An Islamic Perspective. In The 5th International Conference on Financial Criminology (ICFC).

Isgiyata, J., & Budiyoni, E. (2018). Studi Tentang Teori GONE dan Pengaruhnya Terhadap Fraud Dengan Idealisme Pimpinan Sebagai Variabel Moderasi: Studi Pada Pengadaan Barang/Jasa di Pemerintahan. Jurnal Dinamika Akuntansi dan Bisnis, 5(1), 31-42.

Kothari, C. R. (2004). Research methodology: Methods and techniques. New Age International.

Muslim Population of Indonesia (2010). *Pew Research Center*. Retrieved March 03, 2020, from https://www.pewforum.org/2010/11/04/muslim-population-of-indonesia/

Mohamed Saat, M., Porter, S., & Woodbine, G. (2012). A longitudinal study of accounting students' ethical judgement making ability. Accounting Education, 21(3), 215-229.

Narvaez, D. (2001). Nurturing Character in the Middle School Classroom.

Pamungkas, I. (2014). Pengaruh religiusitas dan rasionalisasi dalam mencegah dan mendeteksi kecenderungan kecurangan akuntansi. Jurnal Ekonomi dan Bisnis, 15(2), 48-59.

Peterson, B. K. (2003). Fraud education for accounting students. Journal of education for business, 78(5), 263-267.

Purnamasari, D. (2013). Faktor-faktor yang mempengaruhi kecurangan akademik pada mahasiswa. Educational Psychology Journal, 2(1).

Putri, C. M. (2016). Pengaruh Jalur Pelaporan dan Tingkat Religiusitas terhadap Niat Seseorang Melakukan Whistleblowing. Journal of Accounting and Investment, 17(1), 42-52.

Quran 2:188, Oxford World's Classics edition

Quran 83:1-6, Oxford World's Classics edition

Reliability vs validity: What's the difference?. (2019). *Scribbr*. Retrieved March 03, 2020 from https://www.scribbr.com/methodology/reliability-vs-validity/

Sulaeman, A., & Purwanto, P. (2017). Pengaruh Keaktifan Mahasiswa dalam Mengikuti Organisasi Himpunan Mahasiswa Pendidikan Administrasi Perkantoran (HIMA ADP) dan Disiplin Belajar Terhadap Prestasi Belajar Mahasiswa Program Studi Pendidikan Administrasi Perkantoran Fakultas Ekonomi UNY. Jurnal Pendidikan Administrasi Perkantoran-S1, 6(3), 296-305.

Tiliouine, H., Cummins, R. A., & Davern, M. (2009). Islamic religiosity, subjective well-being, and health. Mental Health, Religion & Culture, 12(1), 55-74.

Uji validitas dan reliabilitas. (2014). *Binus Quality Management Center*. Retrieved March 03, 2020 from https://qmc.binus.ac.id/2014/11/01/u-j-i-v-a-l-i-d-i-t-a-s-d-a-n-u-j-i-r-e-l-i-a-b-i-l-i-t-a-s/

Urumsah, D., Wicaksono, A. P., & Hardinto, W. (2018). Pentingkah nilai religiusitas dan budaya organisasi untuk mengurangi kecurangan? *Jurnal Akuntansi Multiparadigma*, 9(1), 156-172.

Wahyuningsih, E., Susti, A., Muji, S., & Indriani, F. (2018). The Effect of Intelligence Quotient, Emotional Quotient, and Spiritual Quotient on The Ethical Attitude of Accounting Students at Islamic Universities in Pekanbaru (Empirical Study on Riau Islamic University and State Islamic University Sultan Syarif Kasim). International Journal of Engineering & Technology, 7(2.29), 446-450.

Yesiariani, M., & Rahayu, I. (2017). Deteksi financial statement fraud: Pengujian dengan fraud diamond. *Jurnal Akuntansi dan Auditing Indonesia*, 21(1), 49-60.

Zamzam, I., Mahdi, S. A., & Ansar, R. (2017). Pengaruh Diamond Fraud dan Tingkat Religiuitas terhadap Kecurangan Akademik (Studi pada Mahasiswa S-1 di Lingkungan Perguruan Tinggi Se Kota Ternate).