



# Determination of Auditors' Ethical Perception and Individual Morality as Intervening Variables

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## Abstract

Auditors' ethical perception is influenced by both positive and negative factors. This research aimed to obtain the empirical evidence related to the influence of love of money, Machiavellianism, and religiosity, on auditors' ethical perception and individual morality as intervening variables. The research involved 14 public accounting firms with 65 auditors selected as the research samples obtained using a purposive sampling technique. The collected data were then analyzed using Partial Least Square Structural Equation Modeling (PLS SEM). The research results showed that love of money, Machiavellianism, and religiosity influenced the auditor's ethical perception and individual morality. However, individual morality could not be considered as the intervening variable in this research. Based on the research results, public accounting firms had proven that auditors' ethical perception and individual morality could be improved by reducing love of money, eliminating Machiavellianism, and increasing religiosity belonging to the auditors.

**Keywords:** love of money, Machiavellianism, religiosity, individual morality, ethical perception

## Introduction

There was various behavioral-related news in business fields, such as the financial statements of PT. Pupuk Sriwidjaya and its subsidiaries in the fiscal year of 2005, the financial statements of Bali Hai Resort and Spa in the fiscal year of 2004, the financial statements of SNP Finance, and others. Due to the fraud cases in the financial statements of PT. Garuda Indonesia in the fiscal year of 2018, the profession of public accountants also got the negative images. The increasing major financial problems in large companies definitely dealt with the professional accounting figures in big accounting firms (Rahmatika et al., 2019; Normadewi & Arifin, 2012). There are several cases related to the companies experiencing financial scandals, such as Enron company located in the United States. This eventually questioned who is the accountant responsible in this case. For example, a case involving Arthur Anderson, a member of leading public accounting firms from the United States. It was revealed that there was a fraud, such as in data falsification or deception in financial statements. However,

investors were still interested in the related company, even the company suffered from big losses. Many accountants were under pressure since involved in the deviant actions resulted from the conflicts of interest.

Due to the occurring conflicts related to the financial interests in both auditors' offices and personals, the auditors worked for company management. Conflicts of interest had become an ethical dilemma (Abdelhak et al., 2019; Hazgui & Brivot, 2022) when the auditors were promised with the economic rewards after making decisions based on the auditors' integrity and independence (Prabowo & Suhartini, 2021; S et al., 2020). Accountants are constantly faced with dilemmas involving ethics and conflicting values. Thus, the decisions were made either right or wrong. Dishonest acts, such as bribery involving accountants were reflected in various cases subsequently resulting in the negative images of accounting profession. This certainly impacted the perceptions on auditor ethics and individual morality of the accounting profession and public trust.

The internal factors influencing the auditors' ethical perception and individual morality tend to lead to individual behavioral aspects, such as motivation, self-perception, and personal traits. Meanwhile, the external factors influencing the auditors' decreasing ethical perception and individual morality lead to the social fields, such as social values, conditions, and perspectives. Individual morality is one internal factor causing the auditors' individual morality influences their ethical behavior. Individual morality is a characteristic showing an individual's skill differences to complete tasks and solve problems or adapt with the environmental changes (Landers & Behrend, 2022; Pehlivanova, 2020). To improve the auditors' ethical perception (Duc, 2021) and individual morality related to public trust in accounting profession, it is necessary to make various improvement strategies to pay more attention to the accountant ethics (Johari et al., 2018; Nugrahanti & Jahja, 2018).

The individuals' increasing perception on ethics and morality is more frequently associated with money (Nazaruddin et al., 2018). Money is greatly essential in everyday life and more frequently used to measure success. In businesses, money can be used by the company leaders to stimulate employees' morality in their workplaces. "Love of money" concept was first introduced by Tang as a psychological reference explaining that money is a measure for someone's subjective feelings (Khanifah et al., 2019; Maggalatta & Adhariani, 2020). However, this is due to the importance of money functions and differences in individual perception. Therefore, love of money measures an individual's interest which eventually influences his/her ethical perception. An individual's feelings to own money can be measured through the measurement concept expressed by Tang. Based on Money Ethic Scale (MES) measurement concept, money is more frequently regarded as the root of evil which has a negative value in human life. Many problems involve money. Love of money makes the co-workers feel the jobs less satisfied (Sardžoska & Tang, 2012) possibly lead to evil.

In addition to love of money, the other factor influencing the ethical perceptions is Machiavellianism. Machiavellianism is a personal attitude which has no affection to personal relationship, ignores conventional morality, shows conventional morality, and has a poor ideological commitment (Asmara, 2017; Parasitic et al., 2019). The auditors' increasing Machiavellianism will discourage the auditors to properly implement the profession's codes of ethics because Machiavellianism tends to be selfish, manipulative, aggressive and inappropriate for the auditors' profession. Machiavellianism influences the auditors' ethical perception (Asmara, 2017; Maggalatta & Adhariani, 2020).

Several studies revealed that love of money and unethical behavior had a strong relationship (Pierce & Pierce, 2016; Tang, 2010; Urumsah & Wicaksono, 2016). Unethical behavior belonging to love of money could control individuals. This is related to the ability of love of money to predict job satisfaction and unethical behavior. Previous research stated that love of money not only influenced the Machiavellianism, but also other factors did. However, Machiavellianism still has a gap with unethical behavior. There is a negative relationship between Machiavellianism and auditors' ethical behavior (Parasitic et al., 2019).

Meanwhile, if accountants and accounting students have high Machiavellianism, the tendency to perform ethical behavior is greatly doubtful (Widyaningrum & Sarwono, 2012). However, different results were obtained from research conducted by (Puspitasari, 2018) mentioning that ethical behavior taken by auditors did not influence Machiavellian nature. The Machiavellianism is a form of personality which has no affection, ignores conventional morality and shows a poor commitment which tends to commit fraud against others. Meanwhile, the research conducted by (Puspitasari, 2018) stated that Machiavellianism occurred due to individuals separating codes of ethics in a profession. Several problems frequently occurred when auditors provided audit services to clients, yet the code of ethics applies actions which should not be taken (Harun, 2016).

The other factor influencing individual ethical perception is religiosity. Individuals can be controlled by religion; therefore, the higher the religious level of an individual, the better an individual is capable of controlling his/her behavior, such as avoiding bad attitudes. In addition, if individuals have a strong belief in religion, they are able to stay away from illegal behaviors, such as tax evasion. Therefore, even religiosity can combat tax evasion (Sutrisno & Dularif, 2020). Religiosity can also be associated with audit fees. The research results stated that there was a negative relationship, meaning that an auditor with a high religious background did not demand a high audit fee (Cai et al., 2020). Issues on the role played by religion and spirituality have recently received attention in businesses. In the previous study, it was stated that most religions and beliefs have rules which should be performed and obeyed by all followers to ethically behave in all life aspects, especially in businesses.

Individuals considering religion as their key of life tend to have high responsibility, discipline, and moral values. Religious orientation affects individuals' moral reasoning (Baumsteiger et al., 2013; Mufida, 2019). The more an individual is obedient to the teachings of his/her religion, the more ethical his/her behavior and attitude should be. However, if an individual is seen having a high religiosity, it does not guarantee that he is a good person and vice versa. However, it was proven that many criminal cases, such as corruption cases in the management of *Umrah* and *Hajj* funds involving many people were caused by individuals' poor religious beliefs and understanding.

In many ways, accounting fraud is caused by individual factors, such as individual morality. Alternatively, the auditors' ethical perception can be influenced by the auditors' individual morality. Individual morality can be defined as good attitudes and behaviors in which each individual will try to best perform his duties without asking any retribution (Chandrayatna & Ratna Sari, 2019; Khoiriyah et al., 2019; In et al., 2017). Therefore, auditors with good individual morality will optimally perform their jobs with good ethical perception. Thus, there is a positive relationship between auditors' ethical perception and individual morality.

The novelty in this research was related to individual morality variable. This variable was rarely used in research on auditors' ethical perception, especially as

intervening variable. Thus, this research wants to prove whether there is an indirect influence between love of money, Machiavellianism, and religiosity on auditor's ethical perception through individual morality. Meanwhile, the existing research was still related to the influence of love of money on auditors' ethical perception, the influence of (Khanifah et al., 2019; Saadah & Samroh, 2021)Machiavellianism on auditors' ethical perception (Istiariani & Arifah, 2020; Sunani et al., 2015), and the influence of religiosity on auditors' ethical perception (Shafer & Wang, 2011; Sunani et al., 2015)

Thus, the purpose of this research was to provide evidence related to the influence of love of money, Machiavellianism, and religiosity on auditors' ethical perception, with individual morality as intervening variable. The research implication was that the auditors could improve their ethical perception by decreasing love of money, eliminating Machiavellianism, and increasing religiosity. Meanwhile, individual morality should be further improved to drive the influence of determination of auditors' ethical perception.

## Research Method

Based on the previously formulated research problems and objectives, this research was classified into a quantitative study using independent, dependent, and intervening variables (Bergh, 2021; Gitaharie et al., 2019; Hair & Hair & Brunsveld, 2019; Mertens et al., 2016) . From the above explanations, the researcher would reveal the influence of Love of Money ( $X_1$ ), Machiavellianism ( $X_2$ ), Religiosity ( $X_3$ ) as independent variables on Auditors' Ethical Perception ( $Y$ ) as dependent variable with Individual Morality ( $Z$ ) as intervening variable. The indicators used to measure each variable were described in Table 1.

This research involved 14 public accounting firms in Surabaya, Indonesia. The criteria to determine the samples included auditors with the minimum education level of S1 (Graduated from Accounting Bachelor Degree) and having been working at least for three years in a Public Accounting Firm. Based on these criteria, 65 auditors were obtained as respondents in this research. Table 2 presents names of public accounting firms and distribution of samples.

The collected data were then analyzed using Partial Least Square structural equation Modelling (PLS-SEM) to examine the hypotheses simultaneously based on variance. PLS-SEM consists of three components: Structural model (inner model). The structural or inner model describes the relationship between latent variables formed based on the theory substance. The equation for structural model for PLS-SEM.

$$j = j_i + j_{\xi}b + j_{\eta} \dots \dots \dots (1)$$

where:

$i, b$ : represents the index range between  $i$  and  $b$

$j$  : states the number of endogenous latent variables

$j_i$  : expresses path coefficient connecting endogenous latent variables ( $\eta$ ) with endogenous latent variables ( $\eta$ )

$j_b$  : expresses path coefficient connecting endogenous latent variables ( $\eta$ ) with exogenous ( $\xi$ ) latent variables

$j_{\xi}$  : states measurement error level (residual inner variable)

Measurement Model (outer model)

**Table 1. Summary of Indicators**

No	Variable	Indicator	Reference
1.	<i>Love of Money</i>	1. <i>Succes</i> 2. <i>Budget</i> 3. <i>Evil</i>	(Hermawan & Biduri, 2019; Istiariani & Arifah, 2020; Maggalatta & Adhariani, 2020; Nazaruddin et al., 2018)
2.	Machiavellianism	1. Commitment 2. Affection 3. Poor ideological commitment 4. Manipulative 5. Aggressive	(Hermawan & Biduri, 2019; Shafer & Wang, 2011; Sunani et al., 2015)
3.	Religiosity	1. <i>Religious belief</i> 2. <i>Religious practice</i> 3. <i>Religious Experimental</i> 4. <i>Religious Knowledge</i> 5. <i>Religious influence</i>	(Makhmudah, 2020; Jaffar et al., 2022; Saadah & Samroh, 2021)
4.	Auditor's Ethical Perception	1. Integrity principle 2. Objectivity principle 3. Competence principle 4. confidentiality principle 5. professional conduct principle	(Fikri, 2018; Arrami & QingXiang, 2021; Cohen et al., 1995)
5.	Individual Morality	1. <i>Pre-conventional</i> 2. <i>Conventional</i> 3. <i>Post-conventional</i>	(Hutajulu & Yuyeta, 2011; Fernandhytia & Muslichah, 2020; Jaffar et al., 2022; Sudarman & Kusuma, 2019)

Source: Processed Data, 2021

Measurement or outer model describes the relationship between latent and manifest variables (indicators). Outer model is divided into two: formative and reflective indicator models. Reflective indicator model occurs when manifest variable can be influenced by latent variable, while formative model assumes that manifest variable can influence latent variable with the causality flowing direction of manifest variable towards the latent variable. The equation for the SEM-PLS reflective indicator model is as follows.

$$x = \lambda_x \xi + \epsilon_x \dots\dots\dots (2)$$

$$y = \lambda_y \eta + \epsilon_y \dots\dots\dots (3)$$

where:

x : describes an indicator for exogenous latent variable ( $\xi$ )

y : describes an indicator for endogenous latent variable ( $\eta$ )

$\lambda_x, \lambda_y$  : describes loading matrix as a simple regression coefficient related to latent variable with an indicator. Meanwhile, the equation for the formative indicator

model is:

$$\xi = \Pi x \xi X_i + \delta \epsilon \dots\dots\dots(4)$$

$$\eta = \Pi y \eta Y_i + \epsilon \dots\dots\dots(5)$$

where:

$\Pi x, \Pi y$  : explain the multiple regression coefficients of latent variable on an indicator.

$\delta \xi, \epsilon \eta$  : state the level of measurement errors (residual errors).

This weight relation was a special feature of SEM-PLS and does not exist in the covariance-based SEM. The weight relation scores showed the relationship between the variance values between indicators and their latent variables. The equation for weight

**Table 2. List of Research Samples Selected from KAP Surabaya Regions**

No.	Name of Public Account Firms	Address	Number of Auditors
1.	KAP Drs. Thomas Blasisus	Jl Taman Kenandgsari No.7	5
2.	KAP. Bambang, Sutjipto Ngumar and Rekan	Jl. Pandugo Timur XII blok K No. 2 Surabaya	5
3.	KAP. Richard Risambessy and Rekan	Jl. Tenggilis Timur Dalam No.12 Surabaya 60295	2
4.	KAP Buntaran and Lisawati (Cab)	Jl.Rugkut Mapan Timur VI Blok EE No.3	5
5.	KAP Buntaran and Lisawati (Cab)	Jl. Undaan Wetan No. 66 Surabay 60273.	5
6.	KAP. Drs. Arief H. P	Perumahan Pondok Nirwana Jl. Baruk Utara VIII/6 (B-201	5
7.	KAP. Drs. Basri Hardjosumarto, M.Si. Ak. And Rekan (Pusat)	Jl. Gubeng Kertajaya III F/10 Surabaya.	5
8.	KAP. Drs. Candra Dwiyanto	Jl. Musi No. 41 Surabaya (60275)	5
9.	KAP. Erfan and Rakhmawan (Cab)	Jl. Manyar Tirtomoyo 2 no. 14 Surabaya 60166	5
10.	KAP. Gideon Adi and Rekan	Jl. A. Yani No.88 RT. 003, RW. 008 Gedung Graha Pena Lantai 9 R.902 Surabaya 60297	5
11.	KAP. Habib Basuni and Haryadi	Galaxi Bumi Permai Blok G6/18 Surabaya 60119	5
12.	KAP. HLB Hadori Sugiarto Adi and Rekan (Cab)	Jl. Manyar Rejo IV No. 4 Surabaya 60118	5
13.	KAP. Hadori Sugiarto Adi and Rekan (Cab)	Jl. Kalibokor Selatan No. 126 Pucangsewu Gubeng Surabaya 60283	3
14.	KAP. Drs. Henry and Sugeng	Jl. Gubeng Kertajaya III F/10 Surabaya	5
		Number	65

Source: Processed Data, 2021

relation is.

$$\xi_b = \sum_k w_k x_k \dots\dots\dots(6)$$

$$\eta_j = \sum_k w_k x_k \dots\dots\dots(7)$$

where:

w<sub>k</sub>, w<sub>k</sub>: represent the weights of k used to estimate the latent variables of  $\xi_b$  and  $\eta_j$ .

## Results and Discussion

The hypotheses testing in this research was conducted by looking at the values of t-statistics. The research hypotheses can be declared acceptable if the value of t-count > t-table. Hypothesis 1 states "love of money influences auditors' ethical perception". The hypothesis testing results in this research were obtained through inner model.

Based on Table 3, the value of t-count related to the influence of love of money on Auditor's Ethical Perception (Y) was 2.018 with the significance value of 0.044 and the value of t-table of 1.998. Thus, the value of t-count > t-table (2.018 > 1.988), with the significance value of 0.044 < 0.05. Thus, love of money significantly influenced auditors' ethical perception.

Hypothesis 2 states "Machiavellianism influences auditors' ethical perception". The hypothesis testing in this study was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count > t-table, the value of t-count obtained from the influence of Machiavellianism on auditors' ethical perception (Y) was 4.885 with the significance value of 0.000 and the value of t-table of 1.998. Thus, the value of t-count was > t-table (4.885 > 1.988), with the significance value of 0.000 < 0.05. Thus, Machiavellianism significantly influenced auditors' ethical perception.

Hypothesis 3 states, "religiosity influences auditors' ethical perception". Hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is > t-table. Based on Table 3, the value of t-count related to the influence of religiosity on Auditor's Ethical Perception (Y) was 2.061 with the significance value of 0.040 and the value of t-table of 1.998. Thus, the value of t-count was > t-table (2.061 > 1.988) with the significance value of 0.040 < 0.05. Thus, Machiavellianism significantly influenced auditors' ethical perception.

Hypothesis 4 states, "love of money influences individual morality". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is > t-table. Based on Table 3, the value of t-count related to the influence of love of money on individual morality

**Table 3. Hypothesis Testing**

	T Statistics ( O/STDEV )	P Values
Love of money (X1) -> Individual Morality (Z)	2.046	0.041
Love of money (X1) -> Auditors' Ethical Perception (Y)	2.018	0.044
Individual Morality (Z) -> Auditors' Ethical Perception (Y)	2.239	0.026
Religiosity (X3) -> Individual Morality (Z)	2.070	0.039
Religiosity (X3) -> Auditors' Ethical Perception (Y)	2.061	0.040
Machiavellianism (X2) -> Individual Morality (Z)	4.672	0.000
Machiavellianism (X2) -> Auditors' Ethical Perception (Y)	4.885	0.000

Source: Processed Data, 2021

was 2.046, with the significance value of 0.041 and the value of t-table of 1.998. Thus, the value of t-count was  $>$  t table ( $2.046 > 1.988$ ) with the significance value of  $0.041 < 0.05$ . Thus, love of money significantly influenced individual morality.

Hypothesis 5 states, "Machiavellianism influences individual morality". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is  $>$  t-table. Based on Table 3, the t-count value related to the influence of Machiavellianism on individual morality was 4.672 with the significance value of 0.000 and the value of t-table of 1.998. Thus, the value of t-count was  $>$  t-table ( $4.672 > 1.988$ ) with the significance value of  $0.000 < 0.05$ . Thus, it can be stated that Machiavellianism significantly influenced individual morality.

Hypothesis 6 states "religiosity influences individual morality". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is  $>$  t-table. Based on Table 3, the t-count value related to the influence of religiosity on individual morality was 2.070 with the significance value of 0.039 and the value of t-table of 1.998. Thus, the value of t-count was  $>$  t table ( $2.070 > 1.988$ ) with the significance value of  $0.039 < 0.05$ . Thus, religiosity significantly influenced individual morality.

Hypothesis 7 states, "individual morality influences auditors' ethical perception". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is  $>$  t-table. Based on Table 3, the t-count value related to the influence of individual morality on auditor's ethical perception was 2.239 with the significance value of 0.026 and the value of t-table of 1.998. Thus, the value of t-count was  $>$  t-table ( $2.239 > 1.988$ ) with the significance value of  $0.026 < 0.05$ . Thus, it can be stated that individual morality significantly influenced auditors' ethical perception.

Hypothesis 8 states, "individual morality mediates love of money on auditors' ethical perception". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is  $>$  t-table. The hypothesis testing results obtained in this research through inner model were presented as follows.

Based on Table 4, the value of t-count obtained from the analysis results of individual morality mediating love of money on auditors' ethical perceptions was 1.359 with the significance value of 0.175 and the value of t-table of 1.998. Thus, the value of t-count was  $<$  t table ( $1.359 < 1.988$ ) with the significance value of  $0.175 > 0.05$ . Thus, individual morality could not mediate the influence of love of money on auditors' ethical perception.

**Table 4. Hypothesis Testing**

	T Statistics ( O/STDEV )	P Values
Love of money (X1) -> Individual Morality (Z) -> Auditor's Ethical Perception (Y)	1.359	0.175
Religiosity (X3) -> Individual Morality (Z)-> Auditor's Ethical Perception (Y)	1.254	0.210
Machiavellianism (X2) -> Individual Morality (Z)-> Auditor's Ethical Perception (Y)	2.119	0.035

Source: Processed Data, 2021



Hypothesis 9 states "individual morality mediates Machiavellianism of auditors' ethical perception". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count  $>$  t-table. Based on [Table 4](#), the value of t-count obtained from the analysis results of individual morality mediating Machiavellianism on auditors' ethical perceptions was 2.119 with the significance value of 0.035 and the value of t-table of 1.998. Thus, the value of t-count was  $>$  t table (2.119  $>$  1.988) and the significance value of 0.035  $<$  0.05. Thus, individual morality could mediate the influence of Machiavellianism on auditors' ethical perception.

Hypothesis 10 states, "individual morality mediates religiosity on auditors' ethical perception". The hypothesis testing in this research was conducted by looking at the values of t-statistics. The research hypothesis will be accepted if the value of t-count is  $>$  t table. Based on [Table 4](#), the value of t-count obtained from the analysis results of individual morality mediating religiosity on auditors' ethical perception was 1.254 with the significance value of 0.210 and the value of t-table of 1.998. Thus, the value of t-count  $<$  t-table (1.258  $<$  1.988) with the significance value of 0.210  $>$  0.05. Thus, individual morality could not mediate the influence of religiosity on auditor's ethical perception variable.

The testing results of hypothesis 1 in which love of money significantly influenced auditors' ethical perception showed that love of money could be interpreted as auditors' love to the income from his salary. An auditor's income was adequately high to make an auditor properly perform professional codes of ethics and the norms contained in the codes of ethics. The results of this research were in accordance with the opinions stated by (Yusra & Utami, 2018), explaining that money is a measure of an individual's subjective feelings. However, this is due to the importance of money functions and differences in individual perceptions. Therefore, love of money measuring the extent to which an individual is interest in money will influence his/her ethical perception. The research above is in line with the previous research conducted by ([Lestari, 2019](#); [Ariyanto, 2020](#); [Saadah & Samroh, 2021](#)).

The testing results of hypothesis 2 in which Machiavellianism significantly influenced auditors' ethical perception showed that Machiavellianism is a personal attitude which is lack of affection, ignores conventional morality, and has poor ideological commitment in personal relationship. The increasingly Machiavellianism will make an auditor reluctant to properly perform the professional codes of ethics because a Machiavellianism tends to be self-interested, manipulative, aggressive, and inappropriate for the profession. This research was in line with the opinions stated by Christie and Geis mentioning that personality in Machiavellianism is a form of personality which has no affection, ignores conventional morality, shows poor commitment, and eventually cheats on others. In addition, this research is also in line with the previous research conducted by ([Yendrawati, 2011](#); [Asmara, 2017](#)) explaining that Machiavellianism positively influenced auditors' ethical perception.

The testing results of hypothesis 3 in which religiosity significantly influenced auditors' ethical perception showed that an auditor who has a strong belief in religion, consistently performs worship, and has a strong appreciation to the religion, he tends to properly perform the professional codes of ethics and the norms contained in the codes of ethics. The results of this research were in accordance with the Grasmick's opinions mentioning that individual behavior is controlled by religion. Therefore, the more religious an individual is, the better he/she can control his/her behavior, such as not

having a bad attitude. In addition, if an individual has a strong religious belief, he/she can avoid illegal behavior (Basri, 2015). This research is in line with the previous research conducted by (Yustisianingsih et al., 2020; Jaya & Sukirno, 2020) stating that religiosity positively and significantly influenced auditors' ethical perception. However, the research results are not supported by research conducted by (Sevi et al., 2021)

The testing results of hypothesis 4 in which love of money significantly influenced individual morality showed that money is closely related to everyday life which attracts, motivates and retains employees and managers commonly use as tactics in businesses. Thus, money is also considered as each individual's love and greed. The results of this research are in accordance with the opinions stated by (Yusra & Utami, 2018), explaining that money is frequently considered as a root of crimes which has a negative value in human life since, many problems involve money. Tang revealed in his research mentioning that love of money made the jobs felt less satisfied than those with the co-workers and eventually led to crimes (Harun, 2016).

The testing results of hypothesis 5 in which Machiavellianism significantly influenced individual morality showed that Machiavellianism is considered as a personality possibly influencing personal relationship, ignoring conventional morality, and having poor ideological commitment. The results of this research are in line with the opinions stated by Christie and Geis explaining that in Machiavellianism, there is a form of personality which has no affection, ignores conventional morality, and shows a low commitment, so that fraud can be made against others. Furthermore, this research is in line with the previous research conducted by (Lestari, 2019).

The testing results of hypothesis 6 in which religiosity significantly influenced individual morality showed that an auditor's religiosity level will determine his/her morality. An auditor with higher religiosity level tended to have higher morality and was not easily influenced by the deviant actions, such as accepting bribes. An individual living and implementing his/her religious teachings greatly influenced his/her actions and morality in everyday life (Farhan et al., 2019).

The testing results of hypothesis 7 in which individual morality significantly influenced auditors' ethical perception showed that an auditor with high morality tends to take reasonable actions instead of harming or endangering others. The results of this research are in line with the opinions stated by (Rahman, 2013) that Individual morality is one cause of internal factors. In this case, an auditor's morality influenced his/her ethical behavior. Individual morality is a characteristic showing differences among those equipped with skills to complete any task and solve any problem or adapt to various environmental changes.

The testing results of hypothesis 8 in which individual morality could not mediate the influence of love of money on auditors' ethical perception showed that an auditor with poor morality could not influence his/her ethical attitude when experiencing financial difficulties. An auditor with poor morality, when experiencing financial pressures is more likely to commit the accounting frauds than those with higher morality level. Love of money is one factor influencing someone's ethical behavior and tendency to love money. Someone's love for money will tend to take unethical actions in his/her work even having good morality (Yendrawati, 2011).

The testing results of hypothesis 9 in which individual morality could mediate the influence of Machiavellianism on auditors' ethical perception showed that someone's morality can influence his/her ethical behavior. Therefore, someone with high Machiavellianism will tend to unethically behave. Machiavellianism is a tendency to direct

or manipulate a large part of someone's behaviors using power or position for personal gain. This research is in line with the previous research conducted by (Farhan et al., 2019) entitled "the influence of Machiavellianism and love of money on ethical perception of tax evasion with religiosity as a moderating variable". The research results showed that Machiavellianism could mediate ethical perception on tax evasion. (Yendrawati, 2011) stated that both love of money and Machiavellianism negatively influenced ethical perception.

The testing results of hypothesis 10 in which individual morality could not mediate the influence of religiosity on auditors' ethical perception showed that an auditor with high religiosity level and good morality could not guarantee that he/she was ethical in his/her work and was not easily influenced by any deviant action. Religiosity is a high religious belief preventing people from committing unethical behaviors which violate their religious teachings. However, many people with high religiosity level still committed unethical actions. Religiosity could not control someone's behavior to more ethically behave. This is not in line with the research conducted by (Farhan et al., 2019; Farhan et al., 2019; Farhan et al., 2019) stating that students with higher religiosity level could increase their ethical perception level. Therefore, the higher an individual's religiosity, the higher his/her ethical perception. Thus, religiosity certainly influenced the accounting students' ethical perceptions.

An individual with lower religiosity is unable to control him/herself because he/she has a good perception and can ethically behave to avoid unethical behaviors, such as avoiding taxes. On the other hand, a strong religious believer is expected to prevent illegal behavior through guilty feelings, especially when coming to tax evasion. This research was in line with the previous research conducted by (Farhan et al., 2019) entitled "the influence of Machiavellianism and love of money on the ethical perception of tax avoidance with religiosity as a moderating variable". The research results showed that religiosity could not mediate Machiavellianisms of ethical perception on tax avoidance.

## Conclusion

Based on the research results, it was concluded that love of money, Machiavellianism, and religiosity significantly influenced auditors' ethical perception. Yet, these significant influences were different because there were positive and negative relationships. Love of money and Machiavellianism negatively influenced auditors' ethical perception. It means that if auditors have higher love of money and Machiavellianism, their ethical perception is lower, and vice versa. Other previous studies mostly showed the same results: love of money, Machiavellianism, and religiosity influenced individual morality. Love of money and Machiavellianism negatively influenced individual morality. Thus, auditors with higher love of money and Machiavellianism have lower individual morality and vice versa. This research results showed that morality could not mediate the influence of love of money, Machiavellianism, and religiosity on auditors' ethical perception. It means that the presence or absence of morality did not influence the relationship of love of money, Machiavellianism, and religiosity on auditors' ethical perception.

This research implied that auditors with high religiosity level and good morality could not guarantee that the auditors were ethical and not easily influenced. Religiosity is a high religious belief undoubtedly preventing people from committing unethical behaviors and violations against their religious teachings. However, many people with high religiosity levels still have unethical behaviors.

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