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Examining the role of religiosity in shaping ethical perceptions of creative accounting among accounting students

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JAI Website:**Abstract**

Research aims: This study examines the role of religiosity in shaping accounting students' ethical views on creative accounting and compares perceptions between students from religious and non-religious universities.

Design/Methodology/Approach: The quantitative method is used in this research. Primary data was obtained from the questionnaire. This research was conducted in two universities in Yogyakarta, Indonesia. A total 157 data were analyzed using regression analysis and independent sample t-test.

Research findings: The results show that religiosity does not significantly affect accounting students' ethical views on creative accounting, nor is there a notable difference between students from religious and non-religious universities.

Theoretical contribution/ Originality: This study contributes to the existing body of knowledge in accounting ethics by challenging the commonly held assumption that religiosity significantly influences ethical perceptions. By demonstrating that students from both religious-based and non-religious-based universities hold similar views on creative accounting it provides new insights into the complex relationship between ethical judgment and institutional or religious backgrounds.

Practitioner/Policy implication: The findings suggest that ethics education in accounting should not only depend on religious or institutional identity but instead focus on case-based learning, critical thinking, and real-world dilemmas across all universities. Based on a comparative study of students from religious and non-religious settings, it shows that religiosity alone may not determine ethical perceptions, highlighting the influence of other factors.

Research limitation/Implication: Religiosity was not deeply explored in its multidimensional aspects. In this research, religiosity was measured using religious affiliation, which might not fully capture the extent of individual religiosity.

Keywords: Creative accounting; Ethical perception; Religiosity

Introduction

Accounting is a discipline that significantly influences the operations of an entity and continues to evolve with time. The era of globalization has accelerated the development of accounting, particularly in the areas of financial reporting and the implementation of accounting standards. This dynamic evolution is evident in the numerous changes to global accounting practices, including the transition from US GAAP Generally Accepted Accounting Principles to IFRS (International Financial Reporting

Standards). One major implication of this transition is the rise in creative accounting practices (Largay, 2002). Unlike US GAAP, which is rule-based and provides detailed implementation guidelines to reduce ambiguity, IFRS adopts a principles-based approach. This system requires accountants to exercise professional judgment and make estimates based on broader principles, which can lead to varying interpretations. As a result, the shift to IFRS has opened more flexibility and alternative accounting methods, creating opportunities for innovation but also for manipulation. Ajekwe (2021) states that IFRS's flexibility allows preparers to make acceptable adaptations, including the use of estimates and judgments. This flexibility, while intended to provide relevant information, can be exploited, leading to financial reports that may not present a true and fair view.

Creative accounting is increasingly applied worldwide. It involves techniques used by management to present financial data in a way that serves specific interests, potentially influencing decision-making. Creative accounting is a form of financial reporting where managers intervene to gain personal benefit. Akpanuko and Umoren (2018) found that creative accounting practices are often driven by greed and are intended to deceive stakeholders, thereby undermining the credibility of financial reports. Similarly, Blake & Dowd (1999) define creative accounting as the strategic use of accounting knowledge—such as standards and techniques—to manipulate financial outcomes. Remenarić et al. (2018) highlight that creative accounting, while not inherently illegal, often poses ethical concerns due to its deviation from the fundamental purpose of financial reporting. The entities frequently exploit loopholes in accounting standards to manipulate key financial ratios, underscoring the urgent need for preventive measures. They suggest that creative accounting operates within a legal gray area, where the boundary between acceptable financial presentation and ethical misconduct largely depends on managerial intent and regulatory oversight.

The practice of creative accounting has sparked ongoing debate. Some researchers conclude that Barghathi et al. (2020) contended that some stakeholders view earnings management within GAAP as ethical, while other stakeholders perceive it as unethical. Arita et al. (2021) The study concluded that certain practices are legally permissible under accounting standards, but they may still raise ethical concerns depending on the intent and stakeholder impact of earnings management. Remenarić et al. (2018) assert that creative accounting is not inherently fraudulent but rather depends on individual perspectives and the existence of loopholes in accounting standards. Kaminski (2014) supports this view, stating that if these practices stay within legal limits, they are not considered criminal. Jesus et al. (2020) state that it explores accountants' ethical attitudes about creative accounting. They argue that while certain creative accounting procedures are viewed as unethical or bordering on fraud, others are deemed acceptable if they adhere to legal and regulatory guidelines. The study stresses that the ethical assessment of such procedures is frequently dependent on individual viewpoints and the unique environment in which they are used.

On the other hand, critics argue that creative accounting is unethical because it involves manipulation that undermines the reliability of financial information. Killi et al. (2024) Recent academic study highlights that creative accounting procedures frequently entail

the misrepresentation or concealment of facts to mislead stakeholders, actions that approach fraudulent behavior. Murineanu et al. (2024) highlighted that creative accounting is frequently viewed negatively, as it involves manipulating financial statements to mislead users. Public concern over creative accounting has grown in the wake of high-profile financial scandals. The Enron scandal is a landmark example of corporate accounting failure. In April 2001, *Fortune* magazine ranked Enron as the seventh most innovative company in the U.S., yet by December 2 of the same year, it had filed for bankruptcy. The collapse also implicated Arthur Andersen, one of the major accounting firms at the time. Investigations revealed practices such as delaying the recognition of receivables, misappropriating company funds, inflating reported revenues by \$600 million, and concealing \$1.2 billion in debt. This event remains one of the most infamous financial frauds and serves as a warning about the risks of unchecked creative accounting.

Considering such ethical breaches, religiosity is one of the key factors influencing an individual's ethical attitudes and behavior. Glock and Stark (1965) define religiosity as a comprehensive system of beliefs, practices, rituals, and institutions that give meaning to life and guide individuals toward spiritual and moral values. A recent study by Gallego-Álvarez et al. (2020) analyzes how different religions influence business ethics across 18 countries. The study revealed that a higher percentage of religious adherents in a country correlates with the implementation of more ethical practices in business. Specifically, Christian, Islamic, Jewish, and Hindu-majority countries exhibited stronger ethical corporate behaviors. Conversely, Buddhist and folk religions did not show a similar correlation, and countries without a predominant religion also lacked a clear link between religion and ethical corporate practices. Research by Weibe and Fleck (1980) found that individuals who view religion as a central part of their lives tend to be more attentive to moral principles, maintain greater discipline, and uphold a stronger sense of responsibility. Jaya and Sukirno (2020) further argued that a high degree of personal religiosity can enhance ethical perception and potentially influence students' behavior.

Empirical studies have also demonstrated a link between religiosity and ethical sensitivity. For instance, Wiebe and Fleck (1980) found that individuals for whom religion plays a central role tend to be more morally attentive, disciplined, and responsible. Similarly, Jaya and Sukirno (2020) found that higher levels of religiosity positively affect students' ethical perceptions of creative accounting, suggesting that students with strong religious beliefs are more likely to view such practices as unethical. Given that accounting students will eventually become stewards of financial integrity, it is vital to examine how their religiosity may shape their ethical perceptions, especially regarding controversial practices like creative accounting. As Robinson et al., (2020) note, it is important to integrate ethics education into the accounting curriculum to develop moral professionals and benefit the accounting profession.

Furthermore, Pratiwi and Fajar (2023) investigated how ethical knowledge, religion, and moral reasoning influenced accounting students' judgments of creative accounting procedures. They discovered that, whereas ethical knowledge and moral reasoning influenced perceptions positively, religiosity had no significant effect. It implies that personal religion may not have a direct impact on ethical beliefs, emphasizing the

importance of considering other factors, such as institutional influence. Their research calls for further investigation into whether institutional influences, such as religious-based and non-religious (public) universities, also affect students' perceptions of creative accounting. The novelty of this paper lies in its comparison of the ethical views of students from these two types of institutions, offering insights into how both institutional and religious backgrounds shape ethical judgment in accounting. It adds a new dimension to the ongoing discourse on accounting ethics by emphasizing personal and institutional factors rather than focusing solely on technical standards.

Our study, therefore, seeks to explore the role of religiosity in shaping accounting students' ethical views on creative accounting practices, contributing to the broader discourse on ethics in accounting education. This research also examines whether there is a significant difference in ethical perceptions of creative accounting between accounting students enrolled in a religious-based university and those in a public university.

This study contributes to accounting ethics by challenging the assumption that religiosity significantly influences ethical perceptions. It provides new insights into the complex relationship between ethical judgment and institutional or religious backgrounds, showing that students from both religious-based and non-religious-based universities share similar views on creative accounting. The findings also have practical implications for ethics education, suggesting that it should not rely solely on religious or institutional identity but instead focus on strengthening ethics lessons across all universities with an emphasis on case-based learning, critical thinking, and real-world dilemmas. This research enriches the discourse on accounting ethics by highlighting that factors beyond religiosity may play a more significant role in shaping ethical perceptions.

Literature Review and Hypotheses Development

Theoretical underpinning

This paper uses Freud's theory (1923), which explains how human personality develops, how the unconscious mind operates, and how internal conflicts shape behavior. According to this theory, morality is associated with the superego, which manifests as feelings of guilt for violating moral principles and internal blame for wrongdoing. Freud proposed that the superego functions as a moral regulator, representing the internalized moral standards learned from parents, society, and religion. Religious students tend to have a stronger superego, as religious teachings, rituals, and ideals reinforce their moral framework. Furthermoer Kochanska & Aksan (2006) find that conscience, which is closely associated with the superego, is influenced by moral and religious upbringing and plays a critical role in shaping children's moral development. Based on Freud's psychodynamic theory, this study recognizes the superego as a key mechanism through which religiosity influences ethical perceptions, suggesting that students from religious universities are more likely to internalize moral standards that reject ethically questionable accounting practices, such as creative accounting, regardless of their legal permissibility.

Religiosity

According to Glock and Stark (1965), religiosity encompasses symbols, belief systems, value systems, and institutionalized behaviors, all of which are focused on the most deeply held and meaningful aspects of human life, often referred to as "Ultimate Meaning." Jalaluddin (2011) defines religiosity as the extent to which an individual adheres to and practices the principles and teachings of their religion. In essence, religiosity represents the depth of one's religious knowledge and belief in a divine power, serving as a strong moral foundation for one's actions. A high level of religiosity tends to foster positive behaviors, while a low level may result in negative actions.

Sulaiman et al. (2022) define religiosity as the extent to which an individual's religious beliefs influence their ethical decision-making and moral development. Their research emphasizes that higher levels of religiosity are associated with stronger ethical reasoning among business students. Jalaluddin (2011) also argued that integrating religious values into education can enhance students' moral development, leading to more ethically responsible behavior in professional settings. It is consistent with recent research by Batool et al. (2023) that states that religious education influences the ethical behavior of university students. The study revealed that students who had religious education exhibited notably better moral behavior than those who did not. It indicates that religious education is essential in fostering ethical conduct in students. A compelling and pragmatic approach involves implementing comprehensive educational programs designed to positively influence the behavior of individuals and accounting professionals (Hauser, 2019). Crucially, providing anti-corruption and ethics training to accounting practitioners can significantly enhance their integrity. Additionally, broader society and religious institutions play pivotal roles in shaping the ethical foundations of individuals who later pursue careers as accounting professionals, instilling a strong ethos against corrupt practices (Larson, 2018). Furthermore, Mestvirishvili's (2024) study investigated the effect of religiosity on moral judgment, demonstrating how religious views profoundly influence moral values and priorities. The study discovered that religion has predictive power for deontological moral judgment, implying a major influence on moral growth. The study discovered that higher degrees of religiosity relate to a greater proclivity for deontological thinking. It shows that religious people are more likely to base moral decisions on rules or responsibilities rather than outcomes.

According to Jalaluddin (2011), religiosity is shaped by a combination of internal and external factors that influence a person's religious development. Internal factors include heredity, where religiosity itself is not directly inherited but is affected by inherited psychological traits such as cognitive, emotional, and behavioral tendencies that contribute to one's religious disposition. Age also plays a crucial role; as cited by Jalaluddin (2011), Ernest Harms emphasized that children's religious development is closely linked to their age. As they grow and undergo psychological and cognitive maturation, especially during adolescence and sexual maturity, their understanding of religious concepts and their religious attitudes evolve accordingly. Personality is another important internal factor shaped by both genetic and environmental influences. These factors form individual characteristics, including typology (inborn traits) and character (traits

developed through experience). Mental health also significantly impacts religiosity. Drawing on Freud's psychodynamic theory, unresolved unconscious conflicts may lead to psychological disturbances, which can, in turn, affect an individual's religious orientation. On the other hand, external factors such as the family environment serve as the primary context for early religious socialization, where foundational beliefs and behaviors are instilled. Institutional environments, including both formal institutions like schools and informal ones like religious organizations, also contribute to shaping religiosity. Furthermore, the broader community environment, although not directly responsible for individual religious development, influences individuals through shared norms and social values. In some cases, these community influences can even surpass those of formal institutions, shaping religious behavior and beliefs in both constructive and detrimental ways.

Within this complex interplay of psychological and social influences, religiosity itself can be understood through five key dimensions (Glock and Stark, 1965). The belief dimension (ideological) refers to the theological doctrines that individuals are expected to accept and uphold, forming the foundation of religious faith. The religious practice dimension (ritualistic) encompasses acts of worship and ritual observance, representing the outward expression of one's religious commitment. The experiential dimension (appreciation) highlights the emotional and spiritual experiences that individuals encounter in their religious life, which, although subjective, play a vital role in deepening one's connection to their faith. The religious knowledge dimension (intellectual) emphasizes the importance of understanding the core teachings, scriptures, rituals, and traditions of one's religion. Lastly, the practice dimension (consequential) pertains to the influence of religious beliefs on a person's daily behavior and decision-making, demonstrating the practical application of faith in everyday life.

The Influence of Religiosity on Accounting Students' Perceptions of Creative Accounting Practices

Religiosity refers to the extent to which individuals embrace and practice their religious beliefs in daily life. According to Lafmejan et al. (2022), religious values play a significant role in shaping ethical decision-making. Individuals with a high level of religiosity are more likely to evaluate their actions in accordance with the moral teachings of their faith. Every religion imposes rules and prohibitions regarding unethical behavior, promoting goodness and discouraging misconduct. Therefore, strong religious conviction often enhances an individual's self-control and discourages unethical actions.

Studies by Wati and Sudibyo (2016) support the notion that religiosity positively influences the ethical perceptions of accounting students. Highly religious individuals tend to assess their behavior through the lens of their religious teachings. As a result, those who are devout are more likely to disapprove of unethical practices such as creative accounting. Based on this rationale, the third hypothesis is proposed,

H₁: Religiosity positively influences students' ethical perceptions of creative accounting practices.

Based on the development of Hypothesis 1 (H1), Figure 1 presents the conceptual framework that illustrates the relationships proposed in this hypothesis.

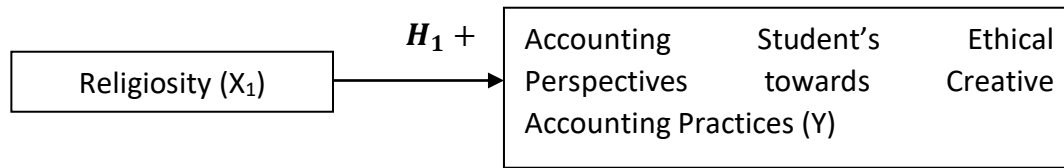


Figure 1 Conceptual Framework

Ethical Perceptions of Creative Accounting Practices among Accounting Students in Religious-based University and non-religious-based University. Understanding how religious environments and individual characteristics influence students' ethical views on creative accounting is essential for promoting ethical standards within the accounting profession. Investigating these factors provides valuable insights for educators and policy-makers on how to foster ethical awareness among future accountants.

There are two perspectives regarding religion's impact on creative accounting. The first asserts that religion discourages manipulative practices. Religious teachings often promote anti-manipulative values, serving as strong deterrents against creative accounting (Kanagaretman et al., 2015). Individuals who conform to religious norms tend to receive higher social recognition, while those who deviate may face social sanctions. Furthermore, religiosity may be linked to risk aversion, as studies by Hilary and Hui (2009) and Shu et al. (2012) found that managers in more religious countries tend to avoid risk, making them less likely to engage in unethical accounting behavior.

Previous research has examined the role of religiosity in financial decision-making. For instance, Conroy and Emerson (2004) found that individuals with higher levels of religiosity were less accepting of accounting manipulation. McGuire et al. (2012) also found that companies operating in highly religious regions were less likely to commit financial reporting irregularities, suggesting that religiosity discourages unethical business practices. Further, a study by Sari et al. (2018) revealed significant differences in ethical perceptions between students from public universities and those attending religious-based institutions. Based on this evidence, the fourth hypothesis is proposed,

H₂: There is a significant difference in accounting students' ethical perceptions of creative accounting practices between Islamic-based universities and public universities.

Research Method

Sample selection and data collection

The population of this study comprises accounting students in Yogyakarta. The sample specifically includes undergraduate accounting students from Universitas

Muhammadiyah Yogyakarta (a religious-based university) and a public university in Yogyakarta (a non-religious-based university). All participants are required to have completed courses in intermediate accounting, auditing, and professional ethics. Primary data are utilized in this research, collected directly through structured questionnaires administered to the respondents. The questionnaire consists of two main sections: demographic information and indicator statements related to the study variables (Creswell, 2014).

A purposive sampling method is employed, targeting individuals who meet specific criteria relevant to the research objectives (Sekaran & Bougie, 2016). The criteria include: (1) being an accounting student enrolled at either a religious-based university or a public university in Yogyakarta, and (2) being in the third or fourth year of study, having completed the intermediate accounting, auditing, and ethical profession course. By focusing on third- and fourth-year accounting students who have completed the relevant courses at either religious-based or public universities in Yogyakarta, the study can obtain insights from individuals with a comprehensive and informed understanding of accounting practices and ethical issues. This approach ensures that the research reflects the mature and knowledgeable perspectives of students who possess the academic foundation needed to make informed judgments about creative accounting. Data are gathered using a structured questionnaire designed to assess aspects such as individual religiosity and the influence of university type on perceptions of creative accounting practices.

Variable measurement

Religiosity refers to the profound personal adherence to religious beliefs, encompassing both the perceived significance of religion in an individual's life and the extent of their engagement in religious activities (Kwarteng et al., 2024). Religiosity was assessed using a self-constructed instrument developed based on the conceptual framework of religiosity as outlined by Holdcroft (2006). The assessment of religiosity was grounded in the notion that it reflects a deep personal commitment to religious beliefs. Accordingly, the measurement items captured respondents' perceptions of the significance and relevance of religion in their lives, as well as their level of active participation in religious practices. Respondents are asked to indicate their level of agreement or disagreement using a 4-point Likert scale, ranging from 1 (strongly disagree) to 4 (strongly agree). Participants are instructed to complete the questionnaire thoroughly and honestly to ensure the reliability and validity of the data.

Creative accounting involves the deliberate application of accounting standards and principles to adjust financial statement figures in a way that may misrepresent a company's actual financial position (Jesus et al., 2020). The dependent variable in this study is the ethical perception of accounting students concerning creative accounting practices within companies. These ethical perceptions reflect variations in individuals' responses when confronted with accounting scenarios that challenge them to think critically and consider ethical implications. In particular, it involves determining whether the actions taken are intentional attempts to exploit weaknesses or loopholes in

accounting standards, methods, measurements, and disclosures to manipulate financial statements and achieve desired outcomes for the company. To assess students' ethical perceptions of creative accounting practices, a questionnaire was used, presenting several indicators, including the recognition of excessive or fictitious income, aggressive capitalization and extended amortization policies, misreporting of assets and liabilities, creative manipulation of the income statement, and issues with cash flow reporting, which were then evaluated using a 4-point Likert scale, ranging from 1 (strongly disagree) to 4 (strongly agree).

Data Analysis

This study utilized regression analysis to test the effect of the independent variable on the dependent variable. Prior to testing the hypothesis, this study evaluated the instrument's quality and classical assumptions. Meanwhile, an independent sample T-test is utilized to identify whether or not there is an average difference between two unrelated sample groups.

Result and Discussion

A total of 170 questionnaires were distributed to respondents for this study. Of these, 157 were returned, representing a response rate of 92.35%. Among the 157 respondents, 86 were from a religious-based university, while the remaining were from a non-religious-based university. However, 13 questionnaires (7.65%) were not returned. The demography of the respondents is shown in Table 1. The demography data shows that females dominated the respondents with a GPA between 3.51 - 4.00.

Table 1 Respondent Demography

	Religious based		Non-religious based	
	Frequency	%	Frequency	%
Gender				
Male	34	39.53	33	46.48
Female	52	60.47	38	53.52
GPA				
3.51 – 4.00	50	58.14	38	53.52
3.01 – 3.50	34	39.53	30	42.25
2.50 – 3.00	2	2.33	3	4.23

Descriptive statistical analysis is carried out to offer an overview of the research variables, including the number of samples, minimum and maximum values, mean, and standard deviation. The results of this analysis are summarized in Table 2 below. The religiosity variable, based on the actual range, has a minimum value of 27, a maximum value of 40, and a mean of 36.10 with a standard deviation of 2.539. Since the actual mean (36.10) is greater than the theoretical mean (25), it can be concluded that the average level of religiosity is high. The variable measuring students' ethical perceptions of creative accounting practices within the actual range shows a minimum value of 22, a maximum of 48, and a mean of 34.29, with a standard deviation of 4.895. Since the actual mean

(16.24) exceeds the theoretical mean (12), it can be concluded that accounting students' ethical perceptions regarding creative accounting practices are generally high.

Table 2 Descriptive statistics

Variable	Std. Deviation	Theoretical Range			Actual Range		
		Min	Max	Mean	Min	Max	Mean
Religiosity	2.539	10	40	25	27	40	36.10
Students' Ethical Perception of Creative Accounting Practice	4.895	12	48	30	22	48	34.29
N	157						

This study conducted validity and reliability tests on the questionnaire items. Tables 3 and Table 4 present the validity and reliability test results.

Table 3 Validity result

Variable	Item	Correlation	Sig	result
Religiosity	R1	0.392**	0.000	Valid
	R2	0.374**	0.000	Valid
	R3	0.303**	0.000	Valid
	R4	0.305**	0.000	Valid
	R5	0.465**	0.000	Valid
	R6	0.649**	0.000	Valid
	R7	0.530**	0.000	Valid
	R8	0.455**	0.000	Valid
	R9	0.489**	0.000	Valid
	R10	0.684**	0.000	Valid
Accounting Students' Ethical Perception of Creative Accounting Practice	CA2	0.264**	0.000	Valid
	CA3	0.503**	0.000	Valid
	CA4	0.632**	0.000	Valid
	CA5	0.648**	0.000	Valid
	CA6	0.589**	0.000	Valid
	CA7	0.619**	0.000	Valid
	CA8	0.594**	0.000	Valid
	CA9	0.613**	0.000	Valid
	CA10	0.254**	0.001	Valid
	CA11	0.575**	0.000	Valid
	CA12	0.517**	0.000	Valid

Based on the validity test results presented in Table 3, using a sample of 157 accounting student respondents, all question items related to the variables of individual morality, idealism, and students' ethical perceptions of creative accounting practices show Pearson correlation values ≥ 0.25 and significance levels < 0.05 . These findings indicate that all questionnaire items used for millennial auditors are considered valid.

Reliability testing, which assesses the consistency of respondents' answers across all items within a variable, is conducted by examining Cronbach's Alpha value. An instrument is considered reliable if it achieves a Cronbach's Alpha of ≥ 0.5 . The reliability test results for each variable are presented in Table 4.

Table 4 Reliability result

Variable	Coefficient	t-value	sig
Religiosity	10	0.588	Reliable
Students' Ethical Perception on Creative Accounting Practice	12	0.729	Reliable

Subsequently, this study employed regression analysis to test the hypotheses, with the results presented in Table 5.

Table 5 Regression analysis result

	Coefficient value	t-value	sig
Religiosity	-0.176	-0.910	0.364
Adj R Square		0.137	

The result in Table 5 shows that the religiosity variable yields a significance value of 0.364, which is greater than the alpha level of 0.05. It indicates that religiosity does not have a significant impact on accounting students' ethical perceptions regarding creative accounting practices. Consequently, the first hypothesis (H_1), which posited that religiosity positively influences students' ethical perceptions of creative accounting, is rejected.

Hypothesis 2 is tested using an independent samples t-test. In this study, the test is conducted to examine whether there is a significant difference in ethical perceptions of creative accounting practices between accounting students from Islamic universities and those from public (non-Islamic) universities. The results are shown in Tables 6 and 7.

Table 6 shows the data indicating that there are 86 accounting student respondents from the religious-based university and 71 from the non-religious-based university. The average turnover intention score is 37.90 for students from the Islamic university and 38.01 for those from the public university.

Table 6 Group mean

	University group	N	Mean	Std. Deviation
Accounting Students' Ethical Perception of Creative Accounting Practice	Religious-based university	86	37.9	4.782
	Non-religious-based university	71	38.01	5.131

According to Table 7, the significance value for Levene's Test is 0.898, which is greater than 0.05. This confirms that the variances between the two groups are equal (homogeneous), allowing us to use the results under the assumption of equal variances. The t-test shows a t-value of -0.150 with a significance (2-tailed) value of 0.881, which is greater than the alpha level of 0.05. Therefore, we conclude that there is no difference in the ethical perceptions of creative accounting practices between accounting students from Islamic-based and public universities. As a result, the fourth hypothesis (H_2) is rejected.

Table 7 Independent sample T-test Result

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig	t	df	Sig. (2-tailed)
Accounting Students' Ethical Perception of Creative Accounting Practice	Equal Variances Assumed	0.160	0.898	-0.150	155	0.881
	Equal Variances Not Assumed			-0.149	144.993	0.882

Based on the result of the hypothesis test, the study finds that religiosity does not affect accounting students' ethical perspectives on creative accounting practices. This finding is consistent with the study conducted by Sevi et al. (2021), which also found that religiosity does not significantly affect accounting students' ethical perspectives on creative accounting practices. Fetalvero (2022) also found that religiosity did not have a consistently significant effect on all aspects of ethical decision-making. It demonstrates the complexities of the relationship between religious and ethical behavior in professional situations. Liyanapathirana and Akroyd (2023) investigated how accountants in Sri Lanka evaluate the impact of religion on ethical decision-making. Despite Sri Lanka's high religious level, the study discovered that religiosity does not necessarily influence ethical decision-making among accountants due to widespread corruption, which is a cultural norm. It suggests that cultural influences can influence the link between religiosity and ethical behavior.

Furthermore, there is no significant difference in ethical perceptions of creative accounting practices between students from Islamic-based and public universities. Although the respondents were categorized based on the type of university they attended, they shared a common academic background as accounting students. It shared educational context may contribute to the similarity in their ethical views. This result supports the findings of Sari and Sukirno (2017), who also concluded that there is no significant difference in ethical perceptions between accounting students from Islamic-based and public universities. Ebaid et al. (2022) found that while religious courses improved students' perceptions of business ethics, the change was not statistically significant. It shows that religious education alone may have little influence on ethical decision-making in accounting circumstances.

These findings, which do not support the hypothesis, provide the insight that individual beliefs do not necessarily influence ethical behavior. Multiple factors, such as organizational culture, professional training, and systemic norms, may shape ethical decision-making. Relying solely on religiosity or religious education may not be effective in promoting ethical behavior without addressing these broader influences.

Therefore, this study suggests opportunities for future research to investigate factors that may influence ethical behavior, such as the role of organizational culture, professional

ethics training, personal values, and moral identity. A cross-cultural comparative study may also provide insight into how cultural norms influence the relationship between religiosity and ethical behavior. Furthermore, to gain a more comprehensive understanding of the results, future research should incorporate real-world ethical dilemmas in accounting to examine how accountants actually resolve such situations.

This study offers both practical and theoretical implications. On a practical level, accounting curricula at the university level should be designed to integrate ethics and real-world case studies related to creative accounting. Ethics education in accounting should not only depend on religious or institutional identity but instead focus on case-based learning, critical thinking, and real-world dilemmas across all universities. For accounting firms, relying solely on the religious values of accountants is insufficient; firms should also provide structured ethics training to reinforce ethical conduct in professional settings. From a theoretical perspective, while some ethical frameworks suggest that higher religiosity leads to stronger ethical behavior, this study paradoxically finds that religiosity does not significantly influence ethical judgments in the accounting context. As a result, accounting ethics theories should place greater emphasis on cognitive and contextual factors that shape ethical decision-making.

Conclusion

This study examines the role of religiosity in shaping accounting students' ethical perceptions of creative accounting practices and explores whether significant differences exist between students from religious-based and non-religious (public) universities. The findings reveal that religiosity does not have a significant influence on students' ethical views, nor is there a notable difference in perception based on institutional background. These results challenge the common assumption that higher religiosity leads to stronger ethical judgment in accounting, suggesting instead that ethical perceptions may be shaped more by factors such as educational content, critical thinking skills, and exposure to real-world ethical dilemmas.

The study contributes to the field of accounting ethics by shifting the focus from personal religious beliefs to the broader context of ethics education. It underscores the importance of integrating robust, case-based ethical training across all academic institutions, regardless of their religious affiliation. Ultimately, this research highlights the need for a more nuanced understanding of what shapes ethical behavior in future accounting professionals, emphasizing that institutional religiosity alone is not a determining factor.

While this study provides valuable insights into the role of religiosity in shaping ethical perceptions of creative accounting, two limitations should be considered. First, the study focused on accounting students from two universities in Yogyakarta, Indonesia, which may limit the generalizability of the findings to other regions or countries. Cultural, societal, and educational differences could influence ethical perceptions, meaning that the results might differ in other contexts. Future research could expand the sample size and include universities from diverse geographic locations to improve the robustness of

the findings. Second, the research design employed a quantitative approach using questionnaires, which may have limitations in capturing the complexity of ethical decision-making. Qualitative methods, such as interviews or focus groups, could provide richer, more nuanced insights into the factors influencing ethical judgments in accounting.

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Conflicts of Interest

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