

Accounting Ethics in the Era of Globalization: A Betawi Cultural Perspective

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Abstract

This research examines the interpretation and application of accounting ethics in the Betawi community amidst the influence of globalization. Using the literature review method, this study explores how Betawi cultural values such as honesty, integrity, and social responsibility influence local accounting practices. The findings show that despite the pressure to adopt international accounting standards such as IFRS and GAAP, Betawi accounting practitioners try to maintain a balance between global standards and their local cultural values. This research underscores the importance of understanding accounting ethics in the context of local culture to strengthen sustainable accounting practices in Indonesia.

Article Info

Keywords:
Accounting Ethics,
Globalization,
Betawi Culture,
International Accounting Standards,
Local Accounting Practices

JEL Classification:
M41, M14, Z13

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Received: 22-08-2024
Published: 30-08-2025



1. Introduction

In certain cultural contexts, the words 'you' and 'I' can be considered impolite if used by a child to an older or respected person. However, in Betawi culture, the use of these words may be considered normal and not offensive, even when spoken to elders, as it is part of their cultural customs. Likewise, different norms of etiquette and politeness can vary depending on the cultural context and social customs. Other cultures are the same, what we consider rude or unethical may not necessarily be considered so in their culture.

In an era of increasingly connected globalization, accounting practices have become more complex and cross national boundaries. International accounting standards such as IFRS (International Financial Reporting Standards) and GAAP (Generally Accepted Accounting Principles) have become the common foundation for financial reporting in various parts of the world. On the other hand, in the midst of this progress, local cultures still play an important role in shaping the identity and social norms of the community. One such culture rich in traditions and values is the Betawi culture, which emerged from the indigenous people of Jakarta, Indonesia. Betawi culture has a rich cultural heritage, including art, cuisine and traditional celebrations, which are integral to its identity. In the context of business and accounting practices, the Betawi accounting community is often faced with an ethical dilemma between maintaining their local values and traditions and following the increasingly dominating global standards. In line with this view, the conflict between local cultural values and global accounting standards often creates moral conflicts for accounting practitioners in Indonesia. Similarly, understanding accounting ethics in the context of local culture is key to strengthening accounting practices that are sustainable and in line with the needs of Indonesian society.

This research aims to investigate how accounting ethics are interpreted and applied in the Betawi accounting community amidst globalization. Through an in-depth qualitative approach, we plan to explore how Betawi accounting practitioners balance the need for global compatibility with the preservation of their cultural identity. In simple terms, business ethics can be defined as

a rule that is not binding because it is not a law. But it must be remembered that in daily business practice business ethics can be a limitation for the business activities carried out.

Literature Review

According to (Fahmi, 2014) the definition of ethics is “Ethics is taken from the Greek word ‘ethos’, which in plural form (ta etha) means ‘customs’ or also ‘habits’. The extension of customs will build a strong rule in society, where every action and horn must follow the rules, and these rules have formed the morals of the community in respecting the prevailing customs “. Ethics is one part that cannot be separated in everyday life, including in accounting activities that require ethical awareness in decision making (Amin, 2019). As according to (Syahreza & El-Yana, 2016). “Ethics is the science that discusses the rules that determine whether certain actions and behaviors are considered good or bad.”. According to (Hanipa et al., 2023) ethics is a field of study that studies the principles of truth and error in behavior, both at the individual, community and organizational levels. Ethics is often associated with morals or morality. Although both are concerned with judging the good or bad of human actions, ethics and morals have differences in their definitions. In brief, morals tend to refer to “the good and bad values inherent in every human action,” and ethics studies the principles underlying the concept of good and bad. (Wahyuningsih, 2022). The main purpose of a code of ethics is to protect the public interest from potential negligence, error or abuse, whether intentional or unintentional by members of the profession. The code of ethics also aims to maintain the honor of the profession from deviant behaviors by members of the profession (Prabowo et al., 2023).

Meanwhile, business ethics are rules that direct how to do business by paying attention to norms, morality, and religion. (Dr. Sigit Hermawan, SE. & Nur Ravita Hanun, SE., 2020) “In simple terms, business ethics can be interpreted as a rule of the game that is not binding because it is not a law, but it is still important to remember in daily practice. This ethics serves as a limitation of business activities, considering that the business world interacts with various other elements.” (Ratih Pranawa Widagda & Agustin, 2021).

2. Methods

This research utilizes the literature method, which was chosen because it allows the researcher to overcome time constraints. By conducting a review of literature from Google Scholar and journals, we were able to gain a deep understanding of how accounting ethics are understood and applied in the Betawi cultural context. In this way, we were able to understand how Betawi cultural values influence their accounting views and practices, as well as how to navigate the ethical dilemmas between local values and global standards in business and accounting.

3. Results and Discussion

Through a literature review, this study found that Betawi cultural values play an important role in influencing accounting ethics and practices in this community, that values such as honesty, integrity, sense of social responsibility, and mutual trust are strongly held by Betawi people. These values form a strong moral foundation and influence various aspects of life, including in professional contexts such as accounting. Honesty and integrity are core values in Betawi culture that strongly influence the way individuals and organizations operate. The ethical literacy held by the Betawi community emphasizes that honesty is an inviolable principle, especially when it comes to financial management and reporting. There are several Betawi cultural values related to the accounting ethics code, as follows.

Tabel 1. Betawi Cultural Values

Betawi Cultural Values	Explanation	Accounting code of ethics	Explanation
Rembungan	Shared decision-making process	Deliberation	Involving various relevant parties in the decision-making process to reach the best consensus and avoid conflicts of interest..
Friendship	Maintaining good relationships	Togetherness	Maintaining good relationships with clients, coworkers and other stakeholders can help create a harmonious and productive work environment.
Open	Transparency	Openness	Provide clear and accessible information to all stakeholders.
Honest	Honesty	Honest	Presenting financial reports accurately and not manipulating data.
Community Service	Cooperation and mutual aid	Mutual Cooperation	Establish solid teamwork and transparent information sharing to achieve common goals.
Politeness	integral to social interaction	Courtesy	Interact with clients, colleagues, and other stakeholders with respect and professionalism.
Responsibility	Taking all duties and obligations seriously	Responsibility	Accountants must also take responsibility for their work and ensure that all financial reports are created correctly and according to standards.

However, with the influx of globalization and its growing influence, there is significant pressure for Betawi accounting practitioners to adopt international accounting standards and common global business practices. In this context, our findings suggest that Betawi accounting practitioners often face a complex dilemma. One respondent noted, "While we respect and uphold our cultural values, we are also faced with the need to keep up with global standards that are increasingly important in international business."

In facing this challenge, there are efforts from Betawi accounting practitioners to integrate local cultural values with global standards, such as the *tanjidor* musical instrument. *Tanjidor* is one of the musical groups originating from Betawi culture (Ansyah et al., 2022). In *tanjidor*, each player must play his role correctly in order to produce harmonious music. Likewise in accounting, every action must be carried out with ethics and compliance so that the organization can operate properly and transparently. This is done by finding a balance between applying transparent and accountable financial reporting standards, while maintaining sensitivity to the principles of the accountant's code of ethics and local cultural practices. In the Public Accountant Professional Code of Ethics, there are five basic principles of professional ethics in Betawi culture, as follows.

Tabel 2. Five basic principles of professional ethics in Betawi culture

Basic principles of accounting ethics	Explanation in Betawi culture	Explanation in professional ethics
Integrity (Jujur)	The nature of a person who is honest, sincere and has strong moral principles	Moral and ethical principles that require an accountant to act honestly in their work.
Objectivity (Tegas)	Seeing things straight or being fair	An accountant who acts based on facts and evidence without being influenced by personal feelings or others

Competencies (Cekatan,mampu)	One who has expertise in a job	An accountant who has good knowledge and skills in carrying out their duties
Professional (Rapi)	Someone who does their work carefully	An accountant who has specialized expertise and is committed to his work
Confidentiality (Rahasia dapur)	Does not disclose personal information	Each Member has an obligation to respect the confidentiality of information about clients or employers obtained through professional services provided, members may disclose confidentiality if there is a professional or legal right or obligation to disclose it ((Nurdianti, 2022).

4. Conclusion

This research highlights the importance of Betawi cultural values in shaping accounting ethics and practices in Betawi society. Values such as honesty, integrity, responsibility, and gotong royong are highly valued and play a major role in accounting decision-making. Although globalization drives the adoption of international accounting standards, Betawi accounting practitioners strive to balance the adoption of global standards with maintaining and respecting their local cultural values. This reflects an attempt to integrate two often conflicting aspects: global compatibility and preservation of cultural identity. Therefore, understanding accounting ethics in the context of a local culture such as Betawi is crucial to creating accounting practices that are ethical, sustainable, and in line with the needs of Indonesian society.

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