

Analysis of ethical decisions of tax consultants in Southern Sumatra Region

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Abstract.

This study aims to determine the factors that influence the ethical decision-making of tax consultants in the Southern Sumatra Region. The population of this research is all tax consultants who are members of the Indonesian Tax Consultants Association (IKPI), which includes the provinces of Lampung, South Sumatra, Bangka Belitung, and Jambi. The total population is 139 tax consultants. The entire population was used as the research sample (with a return sample of 109 respondents). Data were analyzed using SEM-WarpPLS. The results of the analysis found that: (1) Machiavellian had a negative effect on ethical decisions (2) Machiavellian had a negative effect on ethics and social responsibility (3) Ethics and social responsibility had a positive effect on ethical decisions (4) Ethics and social responsibility can partially mediate the relationship between Machiavellian and ethical decisions.

Keywords: *Ethics and social responsibility, Ethical decisions, Machiavellian, Tax consultants*

JEL Classification: D91, M14, J52, H29

INTRODUCTION

Tax consultants have taxation skills and understand complete law enforcement procedures compared to taxpayers (Erard, 1993). Consultants assist in fulfilling tax rights and obligations, so consultants are said to be agents and intermediaries (tax intermediaries) between taxpayers and taxes (Gargalas & Lehman, 2010; Borrego & Lopes, 2012). The role of consultants in educating taxpayers places tax consultants in a position between the state and taxpayers. Therefore, a consultant who can maintain independence, integrity, and professionalism to increase tax revenue is needed (Rizki & Sawarjuwono, 2020).

The existence of a tax consultant in providing professional services impacts increasing the number and compliance of taxpayers. In 2019, the Indonesian government recorded that there were as many as 42 million taxpayers, showing an increase of 3.3 million from 2018 (Hardum, 2018). The tax sector contribution in 2020 is targeted at IDR 1,861.8 trillion, an increase of 13.3% compared to the 2019 tax target

of IDR 1,643.1 trillion (Imung, 2020). Until the end of 2020, the government recorded the realization of tax revenues of Rp. 1,069.98 trillion, or only 80.25 percent of the target set (Widyastuti, 2021).

The high use of tax consultant services in many countries indicates the important role of consultants. In Indonesia, there are 5,025 consultants, with a total population of 267,000,000 people (ddtcnews, 2020). It shows that the number of tax consultants in Indonesia is still relatively small and not ideal compared to other countries. The ideal ratio for one tax consultant is to reach 5,000 to provide optimal service to taxpayers (Setiawan, 2020). However, the current condition in Indonesia is that one tax consultant reaches more than 53,000 taxpayers. It means that Indonesia has a relatively small number of tax consultants and is not ideal compared to other countries whose area is smaller than Indonesia (Hardum, 2018).

However, in the context of service delivery, consultant recommendations are often not accepted. In this case, the consultant must choose to please the client by following their wishes or preferring to enforce the tax regulations (Blanthorne et al. 2014). Tax consultants need consideration in making ethical decisions, and various considerations often affect ethical decision-making (Doyle et al., 2014; Suryanto, 2020). How to make decisions is not easy because various alternative decisions can cause conflict. Conflict occurs when you are uncertain about choices or worried about the consequences of making the wrong decision. (Anthony & Wilson, 1982).

This research was conducted on a Southern Sumatra Region tax consultant registered as an Indonesian Tax Consultants Association (IKPI) member. The Southern Sumatra region, which includes the provinces of South Sumatra, Bangka Belitung, Jambi, and Lampung, has a total population of 24,323,685 people (Kompas.com, 2020), with a total of 139 tax consultants. In other words, the population per tax consultant for the Southern Sumatra Region is 1:175,990, still far from the ideal ratio of 1:5000.

In general, this study aims to analyze the ethical decision-making of tax consultants in the Southern Sumatra Region. Furthermore, this study specifically aims to provide empirical evidence and analyze: 1) Machiavellian influence on ethical decision making; 2) Machiavellian influence on ethics and social responsibility; 3) the influence of ethics and social responsibility on ethical decision making; 4) the influence of ethics and social responsibility in mediating Machiavellian relationships and ethical decision making on tax consultants in the Southern Sumatra Region.

As a scientific discipline, an ethical theory studies customs, values, and norms of human behavior that are considered good or bad. In ethics, many theories try to explain an action, nature, or object of the same behavior from a different point of view or perspective (Rachels, 2004). The ethical theory has evolved from a variety of different perspectives. An understanding of human nature will determine the goals/values of life to be achieved. These values become the background of existing ethical theory and moral norms. Theories and moral norms will guide every action taken. Actions performed repeatedly will form habits, habits will form character, and character determines how effectively the expected values can be achieved. Realized values become material for reflection to reassess the paradigm as a human being and the purpose of life to be realized, both what must be done and what must be abandoned (Maryani, 2001).

The point of view in philosophy sees ethics related to norms and values related to wrong and right, good and bad to do, and actions we must avoid. When norms and values conflict, it will create a dilemma. Ethical dilemmas do not have objective

standards; therefore, a subjective code of ethics is used (Rachels, 2004). Ethics in the encyclopedia of philosophy is defined into three: 1) a general pattern or way of life; 2) a set of rules of conduct or code of ethics; 3) an investigation of ways of life and rules of conduct. Meanwhile, morals and ethics are defined as containing four characteristics, namely: beliefs about human nature; beliefs about ideals, about what is good for pursuing self-interest; rules that explain what to do and what not to do; motives that tend to make us choose the right or wrong path.

Attribution theory is a theory that explains a person's behavior. (Lubis, 2017), states that attribution theory studies the process of how a person interprets an event, reason, or cause of his behavior. This theory was developed by Heider (1958), who argues that a person's behavior is determined by a combination of internal forces, namely factors that come from within a person, for example, ability, knowledge or effort, and external forces, such as difficulties in work or luck, opportunities, and the environment.

Attribution is a process to find an answer or question why or why the behavior of others or oneself. This process is useful for helping to understand the causes of behavior and is an important mediator for reactions to the social world (Dayakisni & Hudaniah, 2006). Attribution is a causal analysis, that is, interpreting the causes of why a phenomenon displays certain symptoms (Sarwono & Eko (2009). Attribution means an attempt to understand the causes behind the behavior of others and, in some cases, the causes behind our behavior (Baron & Byrne, 2004). Attribution is a cognitive process by which people conclude factors that influence or make sense of the behavior of others. Influencing factors can arise from internal or external individuals. Influencing factors can arise from individual internal (such as nature, character, and attitudes) and external factors (such as pressure situations or certain circumstances that force a person to take certain actions) (Luthans, 2005).

METHODS

Population, sample, and research data

The population in this study were all tax consultants (individuals) who joined the Association of Indonesian Tax Consultants (IKPI) in the Southern Sumatra Region, covering the Provinces of South Sumatra, Jambi, Lampung, and Bangka Belitung. The total population is 139 people. Sampling with a saturated sampling technique (census) is done by making all the population used as research samples (with a return sample of 109 respondents). The use of the saturated sample technique because the number of existing populations is relatively small.

The data used in this study are primary data obtained from the results of filling out the instruments distributed to tax consultant respondents.

Analysis tools and research models

Data were analyzed using a component or variance-based SEM (Structural Equation Modeling) analysis tool (Partial Least Square = PLS). The research model is given in Figure 1. The model involves three latent variables (Machiavellian, ethical and social responsibility, ethical decision) and 58 manifest variables.

The Machiavellian latent variable (Mach) consists of 20 manifest variables, the ethical and social responsibility latent variable (ETJS) consists of 12 manifest variables, and the ethical decision latent variable (KE) consists of 26 manifest variables. In detail, the manifest variables for each latent variable are given in appendix 1.

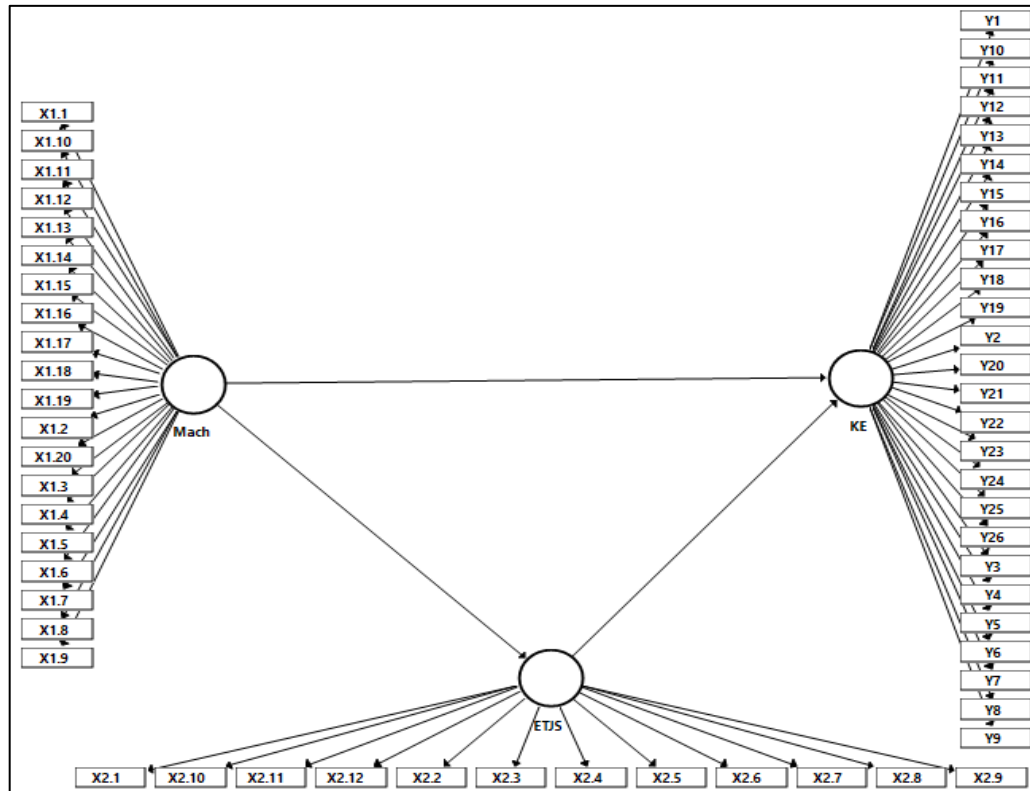


Figure 1. Research model

Theoretical framework and hypothesis formulation

The theoretical framework of the relationship between variables in the framework of formulating the hypothesis is given as follows:

Machiavellian influence on ethical decision making

The Machiavellian scale is a proxy for moral behavior influencing ethical decision-making (Hegarty & Sims, 1979). Someone with a high Machiavellian trait is more likely and tends to take unethical actions when compared to someone who has a low Machiavellian trait. The same opinion was also expressed by Jones & Kavanagh (1996). In their research, Hunt & Chonko (1984) stated that individuals with high or positive machiavellian traits would behave in a manipulative, persuasive, and fraudulent manner in achieving the ultimate goal.

Ghosh & Crain (1996) measured machiavellian traits using the Mach IV scale as an ethical standard. His research indicated that Machiavellian is significantly associated with ethical decisions. Individuals who tend to influence and control others can be machiavellian (Hegarty & Sims, 1979). Machiavellian is a trait that is common and acceptable in the perception of the business profession, but not for the type or character that is attractive to the accounting profession (Luthans, 2005).

Machiavellian were inclined to have lower deontological ethical norms (Singapakdi et al., 1996). Machiavellianism and attitudes towards risk significantly affect taxes, and high Machiavellians tend to report dishonesty (Ghosh & Crain, 1996). Machiavellian has a negative influence on ethical decision-making (Silitonga & Hidayat, 2019; Noviari, 2018; Tofiq, 2018; Dewi & Dwiyantri, 2018; Arrazaqu et al., 2016; Adriana et al., 2014; Tjongari & Widuri, 2014; Purnamasari & Chrismastuti, 2006; Richmond, 2001; Trevino, 1986)

Hypothesis 1: Machiavellian negatively affects ethical decision making

Machiavellian influence on ethics and social responsibility

Machiavellian nature affects the importance of Ethics and Social Responsibility. Machiavellian traits tend to manipulate and do not show ethical attitudes. Individuals with a high Machiavellian orientation will have low beliefs about the importance of ethics and corporate social responsibility and assume that ethics and social responsibility are unimportant. Conversely, a high Machiavellian trait means that individuals are concerned with results. The individual will do anything to achieve the goal, even if the action is unethical and socially irresponsible (Shafer and Simmons, 2008). Machiavellianism increases the tendency to lie, and high machiavellian traits prefer breaking ethical lines to mislead others (Ghosh and Crain, 1996). Shafer & Simmons (2008) show results consistent with this argument, which states a very negative relationship between Machiavellianism and each of the measures of ethics and social responsibility.

Hypothesis 2: Machiavellian has a negative effect on ethics and social responsibility

The influence of ethics and social responsibility on ethical decision making

Empirical research has not shown much influence of ethics and corporate social responsibility on ethical decisions. Ethics and social responsibility become critical to organizational effectiveness before their behavior becomes more ethical and reflects greater social responsibility. The study of Shafer & Simmons (2008) revealed that people with high ethical and responsible values would have social responsibilities in addition to generating profits.

Ethical behavior and social responsibility are important for a business's long-term success and profitability; therefore, perceptions of ethics and social responsibility influence ethical behavior that is manifested in ethical decision-making. According to the theory of planned behavior, perceived behavioral control affects ethical behavior (Shafer & Simmons, 2008; Dewi & Dwiyantri, 2018). Previous research that supports the importance of ethics and social responsibility to ethical decisions has been carried out by Silitonga & Hidayat (2019); Noviari & Suaryana (2018); Tofiq & Mulyani (2018); Dewi & Dwiyantri (2018); Arrazaqu et al. (2016); Adriana et al. (2014); Tjongari & Widuri (2014).

Hypothesis 3: Ethics and social responsibility have a positive effect on ethical decision making

Ethics and social responsibility mediate the relationship between Machiavellian and ethical decision making

Ethics and social responsibility can mediate the relationship between machiavellian traits and ethical decisions. The level of positive or high Machiavellian traits illustrates that there are strategies related to ethics and social responsibility to justify aggressive tax avoidance. Machiavellian nature views maximization as more important, and considers and even justifies irresponsible behavior. It can be said that attitudes towards ethics and corporate social responsibility will affect the relationship between machiavellian traits and ethical decisions (Shafer and Simmons, 2008).

Shafer and Simmons (2008) state that ethics and social responsibility mediate the relationship between the independent variable (machiavellian trait) and the dependent variable (ethical decision). This mediation can be determined by multiplying the influence in two paths, namely, the magnitude of the influence of the machiavellian trait on ethics and social responsibility multiplied by the magnitude of the influence of ethics and social responsibility on ethical decisions. Suppose the product of these two

parameters is greater than the direct effect of the Machiavellian trait on ethical decisions. In that case, the ethical and social responsibility variables can be said to mediate the relationship between the independent variable (Machiavellian trait) and the dependent variable (ethical decision).

Hypothesis 4: Ethics and social responsibility mediate the relationship between Machiavellian and ethical decisions

Variable operational definition

Based on the framework and hypotheses, there are three exogenous latent variables and two endogenous latent variables. Exogenous latent variables are Machiavellian variables, experience, and organizational ethical culture, and endogenous latent variables are ethics, social responsibility, and ethical decisions. The operationalization of the research variables is given as follows:

Ethical decision

An ethical decision is a decision that is both morally and legally acceptable to the wider community (Jones, 1991). Decision-making is inseparable from ethical involvement because ethical considerations are a criterion in making organizational decisions (Robbins & Judge, 2008). Ethical decision-making is a process of ethical reasoning that is a collaboration between one's moral awareness and cognitive moral abilities and is finally manifested in the form of implementing the decisions taken (Rest et al., 1997). Decision makers must adhere to a code of ethics or professional standards that regulate the moral behavior of a professional group (Leon and Meliana, 2009).

Ethical decision-making variables were measured using an instrument adapted from the research of Arrazaqu et al. (2016), with the addition of instruments from the code of ethics of the Indonesian Tax Consultants Association Chapter three Article four which regulates the relationship between tax consultants and clients. The instrument consists of twenty-six question items.

Machiavellian

Machiavellian personality lacks affection in personal relationships, ignores conventional professional morality, and shows low ideological commitment (Christie and Geis, 1970). Ethical orientation is related to ethical dimensions such as Machiavellianism (Shafer and Simmons, 2008).

The Machiavellian variable is measured by the Mach IV Scale developed by Christie & Geis (1970), Arrazaqu et al. (2016), and Wardana (2019). The Mach IV scale instrument consists of 20 question items.

Ethics and social responsibility

Ethics and social responsibility become important for organizational effectiveness before their behavior becomes more ethical and reflects greater social responsibility (Sukrisno, 1996; Singhapakdi, 1999). This study's measurement of ethics and social responsibility variables refers to Singhapakdi (1996), which was developed by Shafer & Simmons (2008). The instrument consists of 12 (twelve) question items.

RESULTS AND DISCUSSION

Characteristics of respondents

Characteristics of respondents, including gender, age, religion, education, competency certificates, and work experience, are given in Table 1.

Table 1. Characteristics of respondents.

Characteristics		Frequency	%
Gender	Male	81	74.31
	Female	28	25.69
Age (in years)	25-35	9	8.26
	36-45	57	52.29
	46-50	29	26.61
	>50	14	12.84
Religion	Islam	59	54.13
	Christian	30	27.52
	Buddhist/Hindu	19	17.43
	Other	1	0.92
Formal education	Bachelor (S-1)	64	58.72
	Master (S-2)	43	39.45
	Doctor (S-3)	2	1.83
Competency certificates	A	13	11.93
	B	55	50.46
	C	41	37.61
Work experience (in years)	<5	2	1.83
	5 - 10	24	22.02
	11—15	47	43.12
	>15	36	33.03

Based on gender, tax consultant respondents are more dominated by men (74.31%). Most respondents (52.29%) were between 36 and 45 years old, and more than half (54.13%) were Muslims.

The education level of tax consultants is relatively good. More than a third (39.45%) have a Masters's (S-2) education, and even 1.83 percent of them have a Doctorate (S-3) education. Furthermore, the Tax Consultant Certificate (SKP) consists of Level A, Level B, and Level C. Certificate of level A is a certificate to become a tax consultant for individuals. Certificate of level B to become a tax consultant for corporate taxpayers, and certificate of level C to become an international tax consultant. In terms of ownership of this certificate, it can be seen that more than half (50.46%) of respondents have certificate B and the remaining 37.61% have certificate C, and 11.93% have to certificate A.

Based on the years of service, it can be seen that the tax consultant respondents have relatively good tenure. Only 1.83% of them have a tenure of fewer than five years, while most of the others (43.12%) have a working period of 11-15 years. In fact, more than a third of tax consultants (33.03%) have more than 15 years of service.

Description of research variables

Figure 2 describes tax consultants' responses to each question item related to ethical decisions, Machiavellian, ethics and social responsibility.

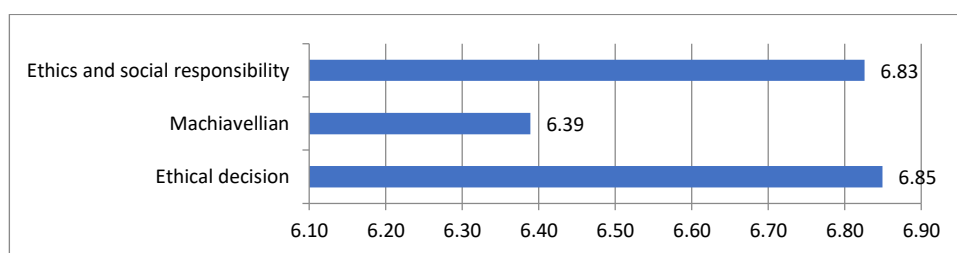


Figure 2. The average value of the research variables

On a scale of 1 – 7, the average value of the variables obtained is above a score of 6. The highest average value is for the ethical decision variable, which is 6.85, while the lowest is for the Machiavellian variable, which is 6.38. It shows that, in general, the aspects of ethical decisions, Machiavellian, ethics and social responsibility have been well understood and implemented by tax consultants in the South Sumatra region.

Tax consultant ethical decision model in the Southern Sumatra region

Outer model evaluation

Before further analysis, the initial model is evaluated regarding the validity and reliability of the indicators on the latent variables (constructs). The validity test uses the convergent and discriminant validity of the indicators. The convergent validity test is based on the item's and constructs scores' correlation. The indicator is convergently valid if the correlation (loading value) is ≥ 0.5 . Furthermore, the discriminant validity indicator is assessed by paying attention to each construct's Average Variance Extracted (AVE) value. The indicator has discriminant validity if the AVE value is > 0.5 (Ghozali & Latan, 2016). The construct reliability test is conducted using composite reliability (CR). Composite reliability must be above 0.7 (Sholihin & Ratmono, 2013).

Initial model testing finds that the loading value is still below 0.5, so it must be removed from the model. Based on this, eight indicators on the Machiavellian variable, one indicator on ethics and social responsibility, and three indicators on the ethical decision variable have been removed. The loading values for the final model are given in Table 2.

Table 2. Loading values for the final model

Machiavellian		Ethics and social responsibility		Ethical decisions	
Indicator	Loading values	Indicator	Loading values	Indicator	Loading values
X1.2	0.641	X2.1	0.735	Y1.1	0.715
X1.3	0.755	X2.3	0.796	Y1.2	0.564
X1.4	0.560	X2.4	0.664	Y1.3	0.630
X1.6	0.560	X2.5	0.524	Y1.5	0.884
X1.9	0.700	X2.6	0.807	Y1.6	0.584
X1.10	0.546	X2.7	0.917	Y1.7	0.636
X1.11	0.685	X2.8	0.802	Y1.8	0.733
X1.15	0.565	X2.9	0.863	Y1.9	0.553
X1.16	0.634	X2.10	0.932	Y1.10	0.723
X1.17	0.599	X2.11	0.920	Y1.11	0.821
X1.19	0.875	X2.12	0.929	Y1.12	0.855
X1.20	0.876			Y1.13	0.813
				Y1.14	0.775
				Y1.15	0.809
				Y1.16	0.690
				Y1.17	0.678
				Y1.19	0.631
				Y1.20	0.650
				Y1.21	0.561
				Y1.23	0.542
				Y1.24	0.779
				Y1.25	0.729
				Y1.26	0.728

Table 2 shows that all construct indicators' correlation (factor loading) is already above 0.5. The same is seen in the discriminant and composite reliability tests (Table 3).

Table 3. Discriminant validity and composite reliability test

Latent variable	AVE	CR
Machiavellian	0.556	0.907
Ethics and social responsibility	0.668	0.956
Ethical decisions	0.599	0.957

The AVE value for each construct is greater than 0.5 (> 0.5), so it can be said that each indicator has met the requirements of discriminant validity based on the AVE value. The CR value of each variable is greater than 0.7 (> 0.7), which means that it has met the reliability requirements

Inner model evaluation

The evaluation of the inner model consists of testing the determinant coefficient (R-Squared), model fit and qualification indexes, predictive relevance (Q-Squared), and effect size (f- Squared effect size).

The R-square value of the endogenous construct is given in Table 4.

Table 4. Model R-square

Variable	R- square value
Ethics and social responsibility	0.205
Ethical decisions	0.585

Table 4. shows the R-square value of the ethical and social responsibility variables of 0.205. It means that the influence of the Machiavellian variable and Ethical Decisions on the Ethics and Social Responsibility variable is only 21%. The remaining 79% is explained by other variables not discussed in this study (factors outside the research model). The R-square value of the Ethical Decision variable is 0.585. The Ethical Decision variable can be explained by the Machiavellian variable and the Ethics and Social Responsibility variable by 59%.

The evaluation of the fit model can be seen from the p-value for APC and ARS, which must be greater than 0.05 or significant. Furthermore, the value of AVIF and AFVIF as an indicator of multicollinearity must be less than 5. The results of the calculation of the model fit are given in Table 5.

Table 5. Good of fit model

Model fit and quality indices	Mark	Note
Average path coefficient (APC)	0.275	Accepted
Average R-squared (ARS)	0.395	Accepted
Average adjusted R- squared (AARS)	0.381	Accepted
Average e-block VIF (AVIF)	2,745	Accepted
Average full collinearity VIF (AFVIF)	2,725	Accepted

Table 5 shows that the goodness of fit model criteria has been met, which is indicated by the p-values of APC, ARS, and AARS, which are smaller than 0.05, and the VIF and AFVIF values are smaller than 3.

A model is said to be good if the prediction validity (Q-Squared) has a value greater than zero (Sholihin & Ratmono, 2021). The results of Q - Squared are given in Table 6.

Table 6. Q-squared

Variable	Q- Squared value
Ethics and social responsibility	0.206
Ethical decision	0.876

Table 6 shows that the value of Q - Squared is greater than zero, where ethics and social responsibility are worth 0.206 and ethical decisions are worth 0.876. It means that the research model has good predictive validity.

The effect size values are grouped into three criteria, namely weak (0.02), moderate (0.15), and large (0.35) (Ghozali & Latan, 2016). Table 7 provides the effect size results for the model's path coefficients.

Table 7. The effect size for path coefficients

	Machiavellian	Ethics and social responsibility
Ethics and social responsibility	0.205	
Ethical decision	0.087	0.322

Based on Table 7, it can be seen that the value of the Machiavellian effect size on ethics and social responsibility of 0.205 (medium category), and the value of the effect size of ethics and social responsibility on ethical decisions of 0.322 (strong category), the value of effect size Machiavellian to ethical decisions of 0.087 (weak category), value effect size ethics and social responsibility in mediating the relationship between the Machiavellian and ethical decision of 0.104 (medium category).

Furthermore, the path coefficient analysis results from the tax consultant ethical decision model can be seen in Figure 2.

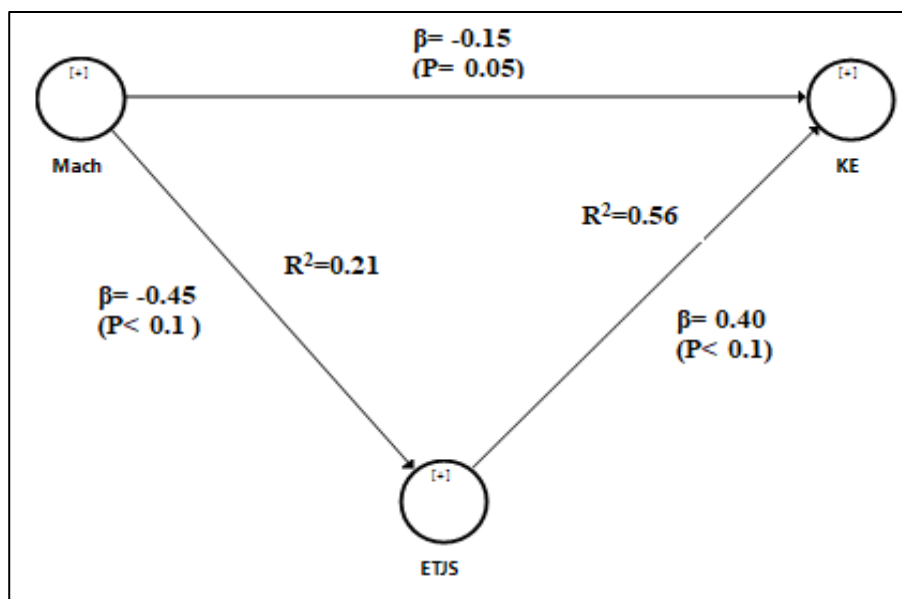


Figure 2. Structural Model Path Diagram

Hypothesis testing

H1: Machiavellian negative effect on ethical decisions

The test results show that Machiavellian negatively influences ethical decisions with a coefficient value of r -0.15 and a p-value of 0.05, which means that hypothesis H1 is accepted.

H2: Machiavellian has a negative effect on ethics and social responsibility

The test results show that Machiavellian negatively influences Ethics and Social Responsibility with a coefficient value of -0.45 and p-value <0.001, which means that hypothesis H2 is accepted.

H3: Ethics and social responsibility have a positive effect on ethical decisions

The test results show that ethics and social responsibility positively influence ethical decisions with a coefficient value of 0.40 and p-value of 0.01, which means that hypothesis H3 is accepted.

H4: Ethics and social responsibility mediate the relationship between Machiavellian and ethical decisions

The mediation effect is carried out in two stages: 1). Testing the direct effect without mediating variables; 2) Testing the indirect effect by including the mediating variable. Table 8 shows the results of testing the direct and indirect effects between Machivalians on ethical decisions.

Table 8. The direct and indirect effects of Machivalians on ethical decisions

Hypothesis	Path coefficient	P-value	Information
Machiavellian →Ethical decision	-0.150	0.05	Direct effect
Machiavellian →Ethical decision	-0.179	0.03	Indirect effect

Table 8 shows the direct effect of the Machiavellian variable on Ethical Decisions with a path coefficient value of -0.150 is negative with a significance level of 0.05. It means that there is a significant negative effect in the direct effect of Machiavellian on ethical decisions, so there is a mediating effect in the first test.

Furthermore, Table 8 also shows that ethics and social responsibility can mediate the relationship between Machiavellian and ethical decisions as partial mediation with a negative value of -0.179 and a p-value of 0.03, which means that H 4 is accepted.

Discussion

Machiavellian influence on ethical decisions

Machiavellian traits describe a trait that tends to control and influence others, antisocial personality, ignoring conventional morality, and low ideological commitment. Individuals with a high machiavellian nature will do anything to achieve the desired goal and perform unethical actions (Christie & Geis, 1970). If someone has a high Machiavellian trait (positive), he will tend to behave unethically and take advantage of opportunities to behave petty for personal gain. Humans in unethical behavior tend to be more lying, less moral, and more manipulative (McLaughlin, 1970)

Moral norms become the basis for every action taken, as well as for professional individuals such as tax consultants, because in making decisions, consultants are bound by norms, ethics, and ethical values. Actions carried out repeatedly will create habits and habits that will form character and character and determine how effective, ethical values can be achieved. These values become material for reflection to examine what is good or bad, right or wrong what is done. The study's results found that the machiavellian nature of tax consultants in the Southern Sumatra region was negative, meaning that tax consultants in this region made ethical decisions. The results of this study are supported by the findings of Yuliana & Cahyonowati (2012); Shafer &

Simmons (2008); Felix & Mangoting (2013); Tjongari & Widuri (2014); Noviari & Suaryana (2018), and not supported by the findings of Mulyani (2018).

Machiavellian influence on ethics and social responsibility

Machiavellianism is defined as the nature of a person to relate to others by feeling that others can be manipulated. Individuals who work aggressively, manipulate, exploitatively, and act cunningly to achieve their goals for themselves and the organization (Phillips & Gully, 2014).

Machiavellian describes the personality of someone who focuses on self-interest, has a low ideological commitment so that he tends to manipulate, cheat without thinking about long-term goals, and likes to exploit others to achieve his goals. Someone with a positive or high Machiavellian trait tends to be more successful in bargaining situations and will get more rewards than someone with a low Machiavellian trait (Christie & Geis, 1970).

Individuals with a high Machiavellian attitude tend to be pragmatic, believing that the result is more important than the process. They do more manipulation; gaining victory is not easily persuaded but more persuasive. Machiavellian nature can develop well when interacting directly with other individuals and when in a slightly orderly situation so that freedom of improvisation is possible (Robbins & Judge, 2008). The results of this study are supported by the findings of Yuliana & Cahyonowati (2012); Shafer & Simmons (2008); and are not in line with the research of Kusuma et al. (2016).

The influence of ethics and social responsibility on ethical decisions

Ethics and social responsibility are important for business organizations, including tax consultants who show the organization's or company's concern for the interests of other parties more broadly and are the key to the long-term success of a business. If a tax consultant has good ethics and responsibilities considered important, the decisions taken will also be more ethical and in accordance with existing regulations (Singhapakdi, 1999).

This study found that tax consultants' ethics and social responsibility in the Southern Sumatra Region positively affect ethical decision-making. High ethics and responsibility reflect that the decisions taken have followed the rules or code of ethics in decision-making. If ethics and social responsibility are high (positive), then a consultant's decisions will be more ethical. The results of this study are supported by the findings of Andyarini & Hayuningtyas (2020); Adriana et al. (2014); Tjongari & Widuri (2014); Yuliana & Cahyonowati (2012); Shafer & Simmons (2008); and not in line with the findings of Widjaja (2013).

Ethics and social responsibility mediate the relationship between machiavellian and ethical decisions

This study found that ethics and social responsibility can partially mediate the relationship between Machiavellian and ethical decisions on tax consultants in the Southern Sumatra Region. This partial mediation means that Machiavellian traits can directly influence ethical decisions without involving ethics and social responsibility as mediating variables. The results of the study are in line with the findings of Shafer & Simmons (2008) and are not in line with the findings of Yuliana & Cahyonowati (2012)

CONCLUSION AND RECOMMENDATION

Conclusion

The study's results found that the Machiavellian trait negatively affected social responsibility ethics and positively affected ethical decision-making. It means that the lower the Machiavellian nature, the higher the ethics and social responsibility and the more ethical decisions are.

Furthermore, ethics and social responsibility positively affect ethical decision-making. It means that the higher the ethics and responsibility, the more ethical decisions are made. Ethics and social responsibility can also partially mediate the relationship between Machiavellian traits and ethical decision-making. Machiavellian nature can also directly influence ethical decisions without involving ethics and social responsibility as mediators.

Recommendation

Machiavellian nature is the nature of every individual when dealing with other individuals. These traits can appear in tax consultants when dealing with clients, so they make consultants behave unethically. Therefore, it is recommended that the government make rules with strict sanctions for consultants and their clients who violate the provisions of tax laws and consultants' code of ethics.

In addition, cooperation or ties of interests and business relationships between consultants and clients for a long time can cause a professional to lose his independence. Therefore, the government is advised to make regulations for the exchange of tax consultants after a certain period (switching tax consultants) to maintain the independence of tax consultants.

For further researchers, it is recommended to develop this research model by adding other variables that have not been studied, such as religiosity, gender, and emotional intelligence.

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Appendix 1. Manifest variable

Ethical decision latent variable	
Y.1	Be objective in making decisions
Y.2	Draw conclusions supported by adequate evidence and stick to the truth
Y.3	Ethical decision-making adheres to the code of ethics
Y.4	Recommendations that are not in accordance with the code of ethics will be considered in making ethical decisions
Y.5	Stick to the code of ethics when faced with dilemmas in making ethical decisions.
Y.6	Refuse to give advice/assistance if it doesn't match your expertise and goes against your conscience
Y.7	Refuse to provide tax advice/assistance if you differ in religion, belief, ethnicity, ancestry, gender, belief, politics and social position
Y.8	Maintain client trust
Y.9	Be honest and forthright without sacrificing the recipient's secret
Y.10	Using moral considerations in the provision of services performed
Y.11	Act within the framework of service and respect the trust of the community and government;
Y.12	Carry out obligations with full prudence by maintaining the knowledge and skills possessed
Y.13	Must respect and maintain the confidentiality of information while carrying out duties
Y.14	Do not use/disclose information without consent unless required by law/by court order
Y.15	Obligated to maintain the principle of confidentiality in providing advice and assistance
Y.16	Refuse to take care of cases that, according to belief, have no legal basis
Y.17	Resign if there is a conflict of interest between the parties concerned
Y.18	Carry out professional activities as a State Civil Apparatus
Y.19	Lend a practice license to another party
Y.20	Assign employees/other parties who do not know about taxation to advise and handle tax matters. Clients
Y.21	Releasing assigned tasks when the client's position is in an unfavorable situation
Y.22	Giving instructions/information that misleads the client regarding the work being carried out
Y.23	Assure clients of the completion of work.
Y.24	Establish conditions that limit the client's freedom to move/choose another Tax Consultant.
Y.25	Take actions that violate tax laws and regulations.
Y.26	Perform engineering/actions that are contrary to tax regulations.
Machiavellian latent variable	
X1.1	Tell others the reason for doing something, if needed.
X1.2	Controlling others by telling them what they want to hear
X1.3	Take action when you are sure that the action is morally right.
X1.4	Most people are nice and fun
X1.5	Assuming that everyone has an evil side that appears when the opportunity arises
X1.6	Honesty is the best thing in any condition
X1.7	There are reasons to lie to other people.
X1.8	Work hard because you have to do it
X1.9	Being humble and honest is better than being someone important but dishonest
X1.10	Express something by influencing others.
X1.11	Moral life will be good if it achieves success in a clean way
X1.12	Trusting others completely will get in trouble
X1.13	Criminals are not smart, so they can be caught
X1.14	Most men are brave.
X1.15	It is wise to flatter an important person
X1.16	It is possible to be good at everything.
X1.17	Every minute someone is born who is easily deceived
X1.18	It's hard to progress without going through shortcuts
X1.19	Choose to leave work when experiencing difficulties

X1.20	It's easier to forget the loss of a parent than to lose possessions
Ethical and social responsibility latent variable	
X2.1	The main interest of the company is to make a profit, even if it has to break the rules
X2.2	To remain competitive in global competition, companies must not ignore ethics and social responsibility
X2.3	When the survival of the company is at stake, ethics and social responsibility are not forgotten
X2.4	Efficiency is more important even if the company is seen as unethical
X2.5	The most important thing is client satisfaction
X2.6	Being Ethical and socially responsible is the most important thing for the company
X2.7	Ethics and social responsibility are important for the long-term benefit of the company
X2.8	The effectiveness of the company as a whole can be demonstrated through ethics and corporate social responsibility.
X2.9	Employee morale should be the company's top priority.
X2.10	The company has social responsibility in addition to generating profits
X2.11	Social responsibility and profitability can be aligned.
X2.12	Good ethics means good business.



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