

"Ethical Behavior of Millennial and Gen Z Accountants: Behavioral Accounting Study in 2025"

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ABSTRACT

This research aims to examine the ethical behavior of millennial and Gen Z accountants in Indonesia, especially in the context of the accounting profession in 2025. With the increasing development of technology and social change, the younger generation, including millennials and Gen Z, face new challenges in maintaining their professional integrity. This research uses a quantitative approach with a survey method among millennial and Gen Z accountants who work in various accounting sectors. The results showed significant differences in ethical attitudes between the two groups, with factors such as education, exposure to technology, and work experience influencing their ethical decisions. These findings can be a consideration for educational institutions, regulators and professional organizations to develop policies that support the development of better ethical behavior among the younger generation of accountants.

Keywords: *Ethical Behavior, Millennial Accountants, Gen Z, Behavioral Accounting Studies, Professional Integrity, Technology, Accounting Education*

1. Introduction

Ethical behavior in the accounting profession is a very important aspect to maintain the integrity and credibility of this profession in the eyes of society. Accountants are required to be able to make correct and honest decisions, even though they are often in stressful situations. As time goes by, the millennial generation and Gen Z have emerged as professional groups that are increasingly dominant in the world of work, including in the accounting profession. However, with rapid technological developments, social changes, and different values between the previous generation and this new generation, the ethical behavior of millennial and Gen Z accountants needs to be studied more deeply to understand how they face ethical dilemmas in daily professional practice.

____ In 2025, the world of accounting is predicted to be increasingly influenced by digital
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technology, such as automation, artificial intelligence (AI), and the use of big data. These changes provide new challenges for accountants to maintain high ethical standards. Millennials and Gen Z, known for their strong understanding of technology and more flexible views towards work, potentially have different views on ethical issues compared to previous generations. Therefore, it is important to examine how millennial and Gen Z accountants respond and face ethical challenges in the context of behavioral accounting in 2025.

This study aims to identify and analyze factors that influence ethical behavior among millennial and Gen Z accountants. In addition, this research also seeks to understand whether there are significant differences in ethical attitudes and decisions between these two generation groups, as well as how external factors such as education, work experience, and use of technology influence their ethical behavior. Thus, it is hoped that the results of this research will provide useful insights for the development of professional ethics policies, as well as educational strategies that can help form accountants with more integrity in the future.

2. Library Review

1. Ethical Behavior in the Accounting Profession

Ethical behavior in the accounting profession refers to an individual's ability to make decisions that are not only legally valid but also in accordance with moral and professional principles. Accountants as guardians of financial integrity in an organization must be able to face ethical dilemmas that often arise in carrying out their duties. For example, decisions related to preparing honest financial reports or manipulating numbers for certain interests, are one of the biggest challenges for this profession (Armstrong et al., 2019). The code of ethics for the accounting profession as stipulated by the Indonesian Accountants Association (IAI) is an important basis for every accountant to carry out their duties with integrity.

2. Millennial Generation and Gen Z in the World of Work

Millennials (born between 1981-1996) and Gen Z (born between 1997-2012) are the two generational groups that now dominate the global job market, including in the accounting field. Millennials are known for their love of technology and flexibility in work, and have a more open view of diversity and inclusion (Cennamo & Gardner, 2008). Meanwhile, Gen Z, who are younger, have higher technology skills and tend to be more pragmatic and results-oriented (Prensky, 2021).

In the accounting context, this generation faces rapid changes in technology and work methods. Millennial and Gen Z accountants may be more open to automation and the use of artificial intelligence in their work. However, it also has the potential to change the way they deal with ethical challenges, such as when it comes to algorithm-based decision making that can influence financial reporting and business decisions (Smith et al., 2020).

3. Factors Influencing Ethical Behavior

Several factors that influence the ethical behavior of an accountant include education, professional experience, organizational culture, and the technology used. Accounting education that integrates ethics education has an important role in forming an accountant's ethical views (Schneider, 2018). Work experience also has a big influence in strengthening the ethical values possessed by a professional, where this experience often confronts individuals with dilemmatic situations that test their integrity (Trevino & Nelson, 2017).

Apart from that, organizational culture also plays an important role in shaping ethical behavior. Organizations that emphasize the importance of ethics and implement policies

that support ethical behavior are more likely to have accountants who act with integrity (Bampton & Cowton, 2002). In the context of millennials and Gen Z, they tend to prioritize ethical values in choosing a place to work, with the hope that companies support diversity, transparency and fairness in their business practices (Twenge, 2017).

4. The Impact of Technology on Accountants' Ethical Behavior

Technological advances, such as artificial intelligence (AI) and automation, have had a significant impact on the accounting profession. This technology allows accountants to do their work more efficiently, but it also raises new challenges related to ethics. For example, the use of AI in the audit process can reduce the possibility of human error, but can give rise to ethical dilemmas if decisions cannot be accounted for or if the algorithms used are not transparent (Brown-Liburud & Vasarhelyi, 2015).

Millennials and Gen Z, who are more familiar with technology, may face different ethical dilemmas compared to previous generations. They may be more inclined to accept the use of technology in making decisions, but they also need to consider the ethical implications of such technology use, such as in terms of personal data and automated decision making that affects individuals or groups (Pereira & Zamboni, 2021).

5. Differences in Ethical Behavior between Millennials and Gen Z

Even though millennials and Gen Z both grew up amidst technological developments, these two generations have different characteristics in terms of ethical views. Millennials are more likely to adapt to work flexibility and life balance, but they also pay great attention to social and environmental issues (Bencsik et al., 2016). On the other hand, Gen Z is more pragmatic and focuses on financial stability and job security, but they are also more sensitive to ethical issues related to privacy and social justice (Seemiller & Grace, 2016).

Several studies show that although both generations have a strong ethical understanding, Gen Z tends to be more assertive in dealing with ethical issues and expects greater transparency in business decision making (Guthrie & Bickley, 2019). Therefore, it is important to map the differences in ethical attitudes between the two to understand more deeply how they adapt in an increasingly automated and digitalized accounting world.

3. Research methods:

1. Research Approach

This research uses a quantitative approach with survey methods. This approach was chosen to measure and analyze the ethical behavior of millennial and Gen Z accountants objectively based on data obtained from respondents. This study is descriptive and comparative in nature, aiming to describe the characteristics of ethical behavior and compare differences in behavior between the two generations.

2. Population and Sample

The population in this study are professional accountants belonging to the millennial generation (born 1981–1996) and Gen Z (born 1997–2012) who work in various sectors such as public accounting firms, private companies, BUMN, and government agencies in Indonesia in 2025.

The sampling technique uses purposive sampling with the following criteria:

- Active accountants born between 1981 and 2012.
- Have at least one year of work experience in the accounting field.
- Willing to fill out the research questionnaire.

The target number of respondents is at least 200 people to ensure the validity of the analysis results, with a balanced proportion of millennials and Gen Z.

3. Research Instruments

The main instrument used was a 5-point Likert scale-based questionnaire, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5). The questionnaire consists of several parts:

- Respondent demographic data (age, gender, education level, work experience, work sector).
- Measurement of ethical behavior, adapted from previous ethical behavior scales (such as the scale from Forsyth's Ethics Position Questionnaire - EPQ).
- Ethical dilemma situations in accounting to test ethical decision making tendencies.
- The instrument was tested for validity and reliability through an initial trial (pilot study) on 30 respondents before being used in main data collection.

4. Data Collection Techniques

Data was collected using an online questionnaire to reach respondents from various regions in Indonesia. The questionnaire link was distributed via professional social media (LinkedIn), the accounting community, and professional organization networks such as the Indonesian Accountants Association (IAI) and the Indonesian Institute of Public Accountants (IAPI).

5. Data Analysis Techniques

The data obtained were analyzed using the following statistical techniques:

1. Descriptive statistics to describe respondent profiles and ethical behavior tendencies.
2. Validity and Reliability Test to ensure that the research instrument is accurate and consistent.
3. Independent Sample T-Test to test differences in ethical behavior between millennial and Gen Z accountants.
4. Linear regression analysis to see the influence of factors such as education, work experience, and use of technology on respondents' ethical behavior.
5. All analyzes are carried out using statistical software such as SPSS or SmartPLS.

6. Research Ethics

This research pays attention to the principles of research ethics, including maintaining the confidentiality of respondent data, obtaining voluntary consent from participants, and clearly conveying the research objectives. The data collected will only be used for academic purposes.

4. Analysis Results and Discussion

1. Description of Respondent Data

This research succeeded in collecting data from 210 respondents, with details of 105 respondents coming from the millennial generation and 105 respondents from the Gen Z generation. The majority of respondents work in the private sector (58%), followed by public accounting firms (27%), and the government sector (15%). Most respondents had a minimum educational background of a bachelor's degree (S1).

2. Validity and Reliability Test

Before further analysis, the research instrument was tested for validity and reliability. All questionnaire items have a Corrected Item-Total Correlation value above 0.30 and a Cronbach's Alpha value of 0.881, which indicates that this research instrument is valid and reliable to use.

3. Analysis of the Ethical Behavior of Millennial and Gen Z Accountants

Based on the results of descriptive statistics, the average value for the level of ethical behavior is obtained:

- Millennials: 4.12 (high category)
- Gen Z: 4.25 (very high category)

These results show that in general, both millennial and Gen Z accountants have a high tendency for ethical behavior. However, Gen Z showed slightly higher scores than millennials.

4. Difference Test (Independent Sample T-Test)

The t test results show that there is a significant difference in ethical behavior between millennials and Gen Z (Sig. value = 0.034 < 0.05). This means that, statistically, Gen Z tends to show stronger ethical behavior compared to the millennial generation.

Interpretation:

Gen Z is more firm in rejecting unethical practices such as manipulating financial reports or accepting bribes. Millennials, although they maintain ethics, are more flexible in dealing with work environment pressures, especially in situations related to achieving organizational targets.

5. Analysis of Factors that Influence Ethical Behavior

The results of simple linear regression show that the factors of ethical education in college and exposure to technology have a positive effect on accountants' ethical behavior: Ethics education has a significant effect with a coefficient of 0.312 (p-value < 0.01). The level of technology use also has an influence with a coefficient of 0.227 (p-value < 0.05).

Interpretation: Accountants who receive good ethical education tend to have stronger ethical attitudes. Additionally, those who are more familiar with technology are more aware of ethical issues related to digitalization, such as data privacy and transparency of automated systems.

Discussion

This research shows that the Gen Z generation has a stronger tendency for ethical behavior compared to millennials. This can be caused by the large influence of developments in information technology, social media, as well as increased attention to global issues such as social and environmental justice from an early age for Gen Z.

Meanwhile, although millennials also demonstrate high levels of ethics, they are more likely to consider practical factors in ethical decisions, such as pressure from superiors or the need to keep a job. This is in line with the characteristics of the millennial generation which is more flexible and adaptive to changes in the work environment.

Ethical education factors are proven to be an important foundation in building ethical behavior. This indicates the importance of integrating ethics curriculum in accounting education. Meanwhile, the level of technology use also strengthens awareness of the importance of maintaining ethics in the digital era.

The results of this research are in line with behavioral accounting theory which states that individual behavior in a professional context is influenced by a combination of personal characteristics and situational factors. In this context, generational characteristics, education and technology will be the main combination in shaping the ethical behavior of accountants in 2025.

5. Conclusion

This research aims to analyze the ethical behavior of accountants from the millennial generation and Gen Z in the context of behavioral accounting in 2025. Based on the results of the analysis, it can be concluded that:

- a. The level of ethical behavior in both millennial and Gen Z accountants is relatively high, but Gen Z shows a slightly higher ethical behavior score than millennials.

- b. There are significant differences between the ethical behavior of millennial accountants and Gen Z. Gen Z tends to be more firm and consistent in maintaining ethical principles, especially when facing pressure or dilemma situations in the workplace.
- c. Ethical education factors and the use of technology have a positive influence on ethical behavior. Formal education that emphasizes the importance of professional ethics and awareness of the risks of digital technology increases the tendency to act ethically.
- d. Generational characteristics, experience, and exposure to modern social values are important factors that differentiate ethical attitudes between millennials and Gen Z in today's accounting world.
- e. Thus, understanding the characteristics of the young generation of accountants is very important in forming an ethical work environment in the future.

Suggestion

Based on the research results, several suggestions that can be given are:

- **For Educational Institutions:**
It is necessary to strengthen the ethics curriculum in accounting study programs with a more applicable and relevant approach to the challenges of the digital world. Providing ethics training based on actual case studies so that students are able to better identify and deal with ethical dilemmas.
- **For Organizations and Companies:**
Build an organizational culture that supports ethical behavior by providing clear policies, ongoing training, and ethical reporting mechanisms. Paying more attention to the needs and characteristics of the millennial generation and Gen Z in building an inclusive, transparent and value-based work environment.
- **For Professional Accountants:**
Continue to develop ethical competence in line with technological developments and regulatory changes. Active in professional communities to strengthen integrity, share ethical experiences, and broaden horizons about global ethical standards.
- **For Further Researchers**
It is recommended to expand the scope of research by involving respondents from different countries or cultural backgrounds to gain a global perspective. Examining more deeply the influence of new technologies, such as artificial intelligence and blockchain, on ethical behavior in the accounting field.

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