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INVESTIGATING THE UNDERLYING DETERMINANTS OF ETHICAL ATTITUDE AND BEHAVIOUR AMONGST PROSPECTIVE SOUTH AFRICAN CHARTERED ACCOUNTANTS

Ethics number: CACCN/1022

A research report presented in partial fulfilment (50%) of the requirements of a Master of Commerce (Accounting)

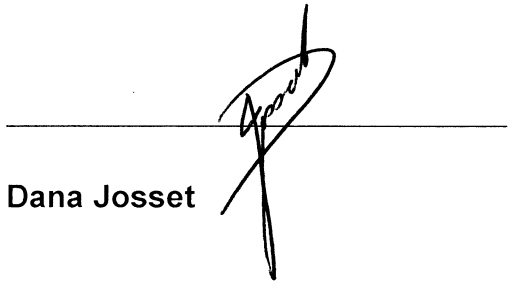
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February 2013

Declaration

I hereby declare that this research report is my own unaided work. It is submitted in partial fulfilment for the degree of Masters in Commerce by Coursework and Research Report in the University of the Witwatersrand, Johannesburg. It has not been submitted before for the purpose of any other degree or examination at any other University.



Dana Josset

Date: 28 February 2013

ABSTRACT

Lapses in the expected high levels of ethics in the accountancy profession have resulted in an increased focus on improving the ethical consciousness of future accountants, and avoidance of further loss of credibility and trust in the profession.

This research report investigates the underlying determinants of ethical attitude and behaviour amongst prospective South African Chartered Accountants. Investigating the impact of the South African context enables an enhanced understanding of the extent to which societal circumstances and challenges influence ethical attitudes and perspectives. Exploring ethical determinants further allows for an enhanced understanding of the viability of formalised tertiary education to alter ethical disposition. Ethical consciousness can only be effectively addressed through formalised tertiary education subsequent to identifying and recognising current accounting students' ethical rationale, and consequently structuring and amending ethical education courses accordingly.

The findings indicate that the ethical decision making and behaviour of prospective South African Chartered Accountants is strongly influenced by family, culture and religion. To a lesser degree, friends, schooling and university education, laws and the possible consequences and justification of decisions, influenced ethical judgement. Gender and age were also identified as influences in ethical disposition. Participants further indicated that although formal teaching of ethics was considered to change behaviour, such interventions were considered to be most effective if delivered prior to tertiary education. Evidence indicated a perceived low level of ethical behaviour in South Africa, although participants generally felt that they were not negatively influenced by this, and felt the need to behave more ethically.

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CHAPTER 1

INTRODUCTION

This chapter will firstly define ethics, professional ethics, and business ethics. It then considers the applicability of ethics to the accountancy profession. The relevance and requirements of ethics in the South African Chartered Accountancy profession are then highlighted, specifically recent developments in regard to ethics and ethical education, in order to illustrate the relevance of this research. Lastly, features and the rationale of this research are noted, together with considerations in regard to the intentions and benefits of the findings.

1.1 Background

1.1.1 Ethics in the Accountancy Profession

Ethics are defined as a system of moral principles and the rules of conduct recognised in respect to human actions and behaviour, ethics are woven into the fabric of everyday work life and decision making (Harned 2007).

Ethics is about how people act in order to make the right choice and produce good behaviour. It includes displaying strength of character to act in accordance with their choice (Dellaportas, Gibson, Alagiah, Hutchinson, Leung, and Van Homrigh 2005). A contemporary interpretation of ethics involves evaluations of whether decisions that are made and actions that are taken are right or wrong, while professional ethics represents the reasons for a professional decision or action being considered to be right or wrong (Lo 1995; Baladakis 2004).

Business ethics refer to the values, principles and standards that operate within business (Desjardins 2009), and focus on what is considered to be good and right in economic activities and engages a moral analysis of economic practices and behaviour (Rossouw, du Plessis, Prinsloo and Prozesky 2011).

Ethical decision-making involves analysing an ethical dilemma in a structured and systematic manner (Mattison 2000). Irresponsible or unacceptable behaviour is referred to as 'immoral' or 'unethical', therefore these words can be used interchangeably to refer to the manner and behaviour of an individual.

Accountancy profession

Section 100.1 of the South African Institute of Chartered Accountants Code of Professional Conduct (SAICA CPC), identifies that *"A distinguishing feature of the accountancy profession is its acceptance of the responsibility to act in the public interest"* (SAICA 2012). Ethical competence is ultimately the core of the accountancy profession, with integrity, honesty and high levels of moral practice being imperative to its credibility and functioning (Robinson, Davidsson, van der Mescht and Court 2007).

The type of skills and expertise that accounting professionals carry and convey can be seen to be a form of power, and power has to always be governed by the highest degree of ethical standards to avoid it leading to exploitation and abuse (Nienaber 2010; Rossouw et al. 2011). Unfortunately, with accounting services carrying this burden of trust, many scandals have arisen from this breach. Besides far-reaching consequences including business failures and sapped investor confidence, scandals also harm the professions reputation, expose

members to increased liability, and hurt the recruitment of new members (Comunale, Sexton and Gara 2006).

The increased public concern for ethical matters within the accounting profession is legitimate in view of high profile corporate scandals that have recently occurred around the world (Kum-Lung and Teck-Chai 2010). From creative accounting to phantom ticking, tax illegalities to insider trading, ethical issues are risks inherent in all facets of the accounting profession. This raises the question whether the implicated professionals really do not know, or do know but are just not concerned about 'right from wrong'. Greed, desperation, pressure and rationalisation are thought to play strong roles, but ultimately, according to Kum-Lung and Teck-Chai (2010), the fundamentals of these scandals are not due to a lack of knowledge and intelligence but instead, a lack of ethics.

1.1.2 Ethics in the South African Accountancy Profession

With ethics ultimately a professional imperative, the accountancy profession in South Africa and elsewhere provides its members with detailed and comprehensive Codes, which have long formed part of aspirant members' tertiary level education studies (Rossouw et al. 2011).

The purpose of formalised ethical standards is to ensure that members of the accountancy profession act in accordance with the spirit and purpose of the profession, to the benefit of those whom they serve (Nienaber 2010). By joining a profession, a person is agreeing, explicitly or implicitly, to abide by those standards (Shaw 2008).

Within South Africa, the comprehensive Code of Professional Conduct of SAICA (South African Institute of Chartered Accountants) and IRBA (Independent Regulatory Board for Auditors) establish ethical boundaries of fair and honest behaviour, by clearly stating adherence to the following fundamental principles of ethical conduct, *"Integrity, Objectivity, Professional Competence and Due Care, Confidentiality and Professional Behaviour."* (SAICA 2012: CPC Sec 110.5: 8; IRBA 2012)

The SAICA Code of Professional Conduct clearly states that a South African Chartered Accountant ("CA (SA)") shall comply with these five fundamental principles, defining each one as follows (SAICA 2012: CPC Sec 110.5: 8):

(a) **Integrity** – to be straightforward and honest in all professional and business relationships.

(b) **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.

(c) **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

(d) **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the chartered accountant or third parties.

(e) **Professional Behaviour** - to comply with relevant laws and regulations and avoid any action that discredits the accountancy profession.

According to **Section 110.1**, *"The principle of **integrity** imposes an obligation on all chartered accountants to be straightforward and honest in all professional and business relationships. Integrity implies fair dealing and truthfulness."* (SAICA 2012: CPC Sec 110.1: 12)

Section 120.1 explains that *"The principle of **objectivity** imposes an obligation on all chartered accountants not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others."* (SAICA 2012: CPC Sec 120.1: 12)

Parts of **Section 140.1** identify that *"The principle of confidentiality imposes an obligation on all chartered accountants to refrain from using confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of third parties."* (SAICA 2012: CPC Sec 140.1: 13)

According to **Section 150.1,** *"The principle of professional behaviour imposes an obligation on all chartered accountants to comply with relevant laws and regulations and avoid any action that the chartered accountant knows or should know may discredit the profession. This includes actions that a reasonable and informed third party, weighing all the specific facts and circumstances available to the chartered accountant at that time, would be likely to conclude adversely affects the good reputation of the profession."* (SAICA 2012: CPC Sec 150.1: 14)

In addition to the expectation of adherence to and compliance with the above fundamental principles, the full SAICA and IRBA Codes' of Professional Conduct form part of the requirement of tertiary level studies for a student pursuing a career in chartered accounting in South Africa (SAICA 2012).

1.2 Developments within the South African Accountancy Profession

Recognising that ethics is about more than codes and legislation and in a drive to improve the morality and integrity of accountants, increasing attention has been given to ethics education, with professional accounting associations placing increasing focus on ethics education in University curricula (Low, Davey and Hooper 2008).

Ethics in the lecture theatre was not something accounting students had very much exposure to in years gone by. However based on the premise that ethical skills can be enhanced through teaching (Verschoor 2004; Loeb 2007; Mitchem 2009; Langlois and Lapointe 2010), over the past few years educational attempts have arisen within South Africa, to promote ethical awareness amongst prospective CA (SA)'s.

As a result, the accountancy profession in South Africa, led by its professional body SAICA, took a decision requiring students to complete a formal University course on ethics relevant to accountancy and auditing, as both a foundation for and an extension of their study of the professions codes, and as further ethical grounding for their careers and personal lives (Rossouw et al. 2011).

The result is that currently, in order to qualify and practice as a CA (SA), in addition to being taught and being obliged to comply with a Professional Code of Conduct, aspirant members must be exposed to formalised tertiary ethics education, thought to provide the necessary proficiency to tackle the ethical dilemmas that they will be exposed to, once they are active members of the accountancy profession. This requirement of formalised ethical education, driven by SAICA, was formally introduced as a curriculum requirement of the body as of 2007 (SAICA 2011a).

In other recent related developments within the South African accountancy profession, in 2007 SAICA began an extensive process of reviewing and assessing the SAICA training programme for the development of entry level CA (SA)'s, in order to develop and introduce a new training model. During the two years that followed, this process was escalated through a comprehensive review and extensive consultation process that resulted in the development of a revolutionary new CA (SA) 2010 training programme subsequently approved by the Education and Training Requirements Committees as well as the Board of SAICA (SAICA 2011a).

According to SAICA, this programme will deliver entry level CA (SA)'s who are uniquely equipped to better meet the needs of the market. This will be ensured through the acquisition of broader skills as well as enhanced flexibility in the training process, in order to truly deliver a high–performance CA (SA) of the future (SAICA 2011a).

A vital outcome of these training programme developments, was the introduction of the *SAICA Competency Framework*. Relating to the expectations of Chartered Accountants at entry point to the profession, the Competency Framework identifies a wide array of core pervasive skills and competencies that aspirant members need to demonstrate (SAICA 2011a).

Included as a key area of the SAICA Competency Framework titled: *"Ethical behaviour and Professionalism"*, by way of section 3.1 IA1 – IA8, incorporates the following overall areas of expectation, for those pursuing a career as a CA (SA):

- Protects the public interest
- Acts competently with honesty and integrity
- Carries out work with a desire to exercise due care
- Maintains objectivity and independence
- Avoids conflict of interest
- Protects the confidentiality of information
- Maintains and enhances the profession's reputation
- Adheres to the rules of professional conduct

(SAICA 2011a)

1.3 Purpose of Research

1.3.1 Relevance within a South African context

This research report intends to investigate the underlying determinants of ethical attitude and behaviour amongst prospective CA (SA)'s. By doing so, this should allow for an enhanced understanding of the viability of formalised tertiary education attempting to alter ethical disposition, specifically within a South African context.

This subject is a universal question not unique to South Africa. Concern however from a South African perspective is that, as expressed by Rossouw (1997), we live in a complex and challenging society with many competing moralities, where regrettably value systems and moral reasoning are in many instances extremely poor.

Over the past few decades, the need for stronger business ethics in South Africa has been expressed by politicians and business leaders, with improper conduct, corrupt and dishonest behaviour, especially amongst those in positions of public authority, having become phenomenon's all too familiar. Rossouw (1997: 1) refers to the words of Nelson Mandela, at the opening of Parliament on February 17 1995, in his position as president of South Africa, *"We are conscious of the reality that corruption in many forms has deeply infected the fibre of our society."* (Mandela, 1995)

More recently, South African Deputy President, Kgalema Motlanthe, speaking at the University of the Witwatersrand, stated that corruption was *"cancerous"* and *"the second biggest malady staring humanity in the face after racism."* He stated

further that *"the pestilence of corruption menacing the soul of our democracy is a life-and-death matter on which our future depends."* (Laing 2011: 1)

Motlanthe recognised that it all comes down to an individual's sense of right and wrong and that, in order to curb the scourge of corruption, South Africa may need to begin exploring new creative ways of introducing subjects in relation to ethics into the school curriculum very early in the development of learners. Acknowledging that effective laws alone could not win the war against corruption, Motlanthe posited that people needed to be taught to recognise all its forms in order to avoid committing it and to be able to report it (Laing 2011).

Similarly, in a 2011 media interview, South African Planning Minister Trevor Manuel acknowledged high level corruption amongst senior officials within South Africa and that related conviction rates were too low (Evans, Thakali and Mertens 2011). According to Laing (2011), the corrupt practice of businessmen bribing public officials for tender to build roads, schools, houses and provide services has unfortunately become so common that it now has a name, *"tenderitis."*

Formal recognition of the above observations in regard to South Africa's unfortunate corrupt environment, resulted in Africa's largest economy being ranked 69th out of 174 countries in 2012 by Transparency International, who noted that corruption is getting worse in South Africa. Transparency International publishes the corruption perceptions index (CPI) annually ranking countries by their perceived levels of corruption existing among public officials and politicians, as determined by expert assessments and opinion surveys. The CPI generally defines corruption as the abuse of public office for private gain (Transparency International 2012).

Exploring and understanding the effect of the above issues on future CA (SA)'s is necessary, in order to understand whether, and if so, to what extent, the effects of South African societal circumstances and challenges influence these students' ethical beliefs, attitudes and perspectives.

1.3.2 Upholding the esteemed CA (SA) designation

In regard to its Chartered accountancy profession, South Africa has a fairly unique situation, with one of the most highly esteemed and greatly recognised accounting qualifications throughout the world, operating in an intensely challenging environment (World Economic Forum 2012). Having developed an outstanding international reputation and recognition, the CA (SA) designation is currently one of the most reputable and highly regarded premier accounting and business designations throughout the world and the most respected in South Africa (SAICA 2011b; SAICA 2012).

Formalised recognition in this regard recently resulted by the World Economic Forum, in the 2012/2013 Global Competitiveness Report, ranking South Africa first, among 144 countries in terms of the strength of Auditing and Financial Reporting. This commendable rating, driven by the reputation and standing of the CA (SA) designation and the recognised abilities of CA (SA)'s, is apparent for the third consecutive year (World Economic Forum 2012; SAICA 2012, IRBA 2012).

Furthermore the value of the CA (SA) designation is recognised by the International Federation of Accountants (IFAC), the Pan African Federation of Accountants (PAFA), the Global Accounting Alliance (GAA), as well as the Global Reporting Initiative (GRI), through SAICA membership of these international professional

bodies (SAICA 2011b). According to SAICA, *"Remaining a member of the first ranked CA (SA) designation in the world, remains an enviable and thus a personal brand reputation benefit to members"* (SAICA 2011b: 1).

Within South Africa, research conducted by a strategic research company measured the reputation, awareness, recognition, standing and perception of the CA (SA) designation in comparison to other business designations. Findings indicated that the CA (SA) designation enjoys the highest awareness relative to other similar business designations as well as being the most admired designation and commanding the best reputation (Wadee 2010; SAICA 2012).

This study posits that upholding ethics in the profession is a pillarstone to the national and international rankings and standings, and thus the development of ethically conscious graduates, to ensure ethical decisions and behaviour on the part of (future) members of the CA (SA) profession, is a key area that needs to be addressed.

1.3.3 Ethical education in the CA (SA) profession

This section highlights the need to assess the practicalities, viability, and effectiveness of exposing prospective members of the South African accounting profession to the teaching of comprehensive ethics legislation as well as a formal ethics courses as part of their educational requirements, in order to qualify and practice as a CA (SA).

In view of varying philosophies and debate in the literature in regard to the underlying nature and determinants of ethical decision making and behaviour, and extensive research finding varying results in regard to benefits that arise from the formal teaching of ethics, this research report will add to the debate by exploring this from a South African perspective, where a unique historical, political and social setting exists.

1.3.4 Features of this research

According to Piper, Gentile and Parks (1993: 17) every great teacher's most fundamental question is "*Who are our students*?" They recognise that every educational institution needs to rekindle its curiosity and address its understanding of its students from time to time, gaining comprehensive insight into who they really are, especially in comparison with who students were a decade ago.

There appears to be agreement amongst most business ethics scholars that, in the dimension of ethical decision making, personal values play a fundamental role. Fritzsche and Oz (2007) identify that behaviour is as a result of values and attitudes. It is therefore anticipated that by assessing the general nature of ethical behaviour and surveying prospective CA (SA)'s perceptions, attitudes and beliefs of moral grounding and ethical education, it will be possible to investigate the possible determinants affecting the ethical judgement of prospective South African accounting professionals. This should contribute towards a better understanding of the viability of the teaching of ethical behaviour within the CA (SA) profession.

Environmental and societal influences have been thought to influence an individual's ethical reasoning. Morris, Marks, Allen and Peery (1996) question the

standards of ethical behaviour within the South African business community, specifically to what extent the ethics-related attitudes and actions of business professionals are affected by environmental turbulence. In a South African study Morris et al. (1996) find that environmental turbulence leads professionals to report stronger values and ethical norms, but less ethical behavioural intentions.

A major feature of this research is its focus on present day South Africa. A large body of international literature exists pertaining to professional ethics and related education in accounting, however there would appear to be a lack of information and research on ethical issues pertaining to South Africa. Studies investigating various factors affecting ethical behaviour, have not specifically taken into account the South African cultural and societal aspect and the attitudes and beliefs of students in this regard. This research endeavoured to address this gap.

Piper et al. (1993) recognise that modern students do not dwell in a vacuum, but rather mirror quite faithfully the central features and characteristics of their culture and time. "We as a culture have become trapped in the concrete. Is it appropriate to berate young adults for being materialistic and greedy at a point in time when their culture has little to offer them besides money and position as symbols of authority, affirmation, success and belonging" (Piper et al. 1993: 36).

This brings to question the effect that living in the present day unique socio-cultural environment of South Africa may have on University students ethical attitudes and perspectives. Generally it appears as if few studies focusing on ethical determinants have adequately investigated and examined whether and how the cultural and societal dimension influences ethics and decision-making.

Furthermore, very few studies seek the opinions of the recipients of formalised ethics education, the students, on what they really think and feel about an ethics course and the benefits thereof (Cooper, Leung, Dellaportas, Jackling, Wong 2008). In a study conducted on ethics education, Piper et al. (1993) note that educators need to investigate and understand the realities of the current learning experience from a student's perspective and how effective the transfer of knowledge is. Thus a further intention of this research was to gain the perceptions of South African accounting students in regard to the formalised ethical education to which they had been exposed as part of their underlying tertiary education requirements.

1.4 Rationale for research

1.4.1 Background and Purpose

Given that South African academics attempt to educate aspirant CA (SA) students in relation to ethical behaviour, and teach the principles of the SAICA and IRBA Codes of conduct, the viability of comprehensive ethics education within the profession requires exploration. SAICA has taken disciplinary action against several candidates caught cheating in its qualifying examinations (SAICA 2011b). This opens to debate whether, without the tertiary ethics education that had been provided to these students, would there possibly have been more unfortunate cases. Or conversely, if greater attention had been focused on ethics education and developing mature ethical judgement within their curriculum, whether such regrettable incidences could have been prevented.

In response to the introduction of the *SAICA Competency Framework,* South African universities have had to commit to focussing on developing appropriate structures to ensure a good grounding in ethics for aspirant members of the profession (SAICA 2011a). To provide this education, accounting educators are

expected to facilitate by nurturing the principles and value systems of future professionals. Extensive and intensive time, effort and resources are needed to develop a new course, with course outlines, teaching notes, practical case studies, projects, tests, exams, knowledgeable well-trained lecturers and tutors, all necessary to assist in developing this ethical judgement.

However, until accounting students' ethical behavioural determinants are comprehensively explored and understood, it is very doubtful that these extensive resources will be used constructively. In an attempt to address ethical consciousness, formalised tertiary education can only be used effectively, subsequent to identifying and recognising current accounting students' ethical rationale and consequently structuring and amending ethical courses according.

1.4.2 Intentions of Research and benefits of findings

This research report will investigate whether the current focus within South Africa of teaching and promoting principles to facilitate ethical decision making within a tertiary education environment is viable, and/or whether any modifications to the current systems may be appropriate.

A full understanding of ethical decision-making processes and attitudes amongst prospective CA's in South Africa needs to be gained before systematic strategies can be developed to effectively enhance these value systems through formalised ethics education.

In future years it should be possible to evaluate the effect that the introduction of formalised ethics education and the change and focus thereof, has had on the

accounting profession in South Africa. In the interim, it is necessary to investigate the instructional approach that is currently being adopted in this regard.

The findings of the research may be useful to SAICA, IRBA, South African universities, auditing firms as well as businesses in commerce and industry. Universities could consider the findings in the design, content creation and educational structure of their ethics courses. Auditing and other business firms could possibly incorporate results of this research in their personnel recruitment policies, in regard to ethical attributes sought in their potential professional staff.

1.5 Organisation of report

The remainder of the research report is structured as follows:

Chapter Two reviews the literature and research studies and findings underlying the following areas. Firstly the relevance and expectations of ethics in the accountancy profession and developments in regard to the promoting ethics in the profession are explored. The chapter then goes on to assess philosophical views on the nature and determinants of ethical attitude and behaviour, including the effects of ethical education on attitude and behaviour. Finally other possible determinants of ethical attitudes and behaviour are considered as well as the possible influence of South African societal factors and challenges on ethical attitude and behaviour.

Chapter Three sets out the research problems that underlie this study. **Chapter Four** examines the research framework; setting out the research methodology, describing the instrument used, data collection methods as well as the limitations of the study. **Chapter Five** contains the results of the research undertaken and a detailed analysis and interpretation of the findings. Finally **Chapter Six** concludes the research and identifies directions for future study.

CHAPTER TWO

LITERATURE REVIEW

In order to highlight the nature and relevance of this current area of research, this chapter will begin by exploring the literature underlying the relevance, expectations and promoting of ethics within the accountancy profession. The pertinent literature will be explored, to assess the "underlying determinants of ethical attitude and behaviour amongst prospective Chartered Accountants", the main aim of this research. Firstly research underlying the general philosophical views on the nature and determinants of ethical attitude and behaviour will be considered. The effects of ethical education on attitude and behaviour will be then assessed, as well as findings in regard to other possible determinants of ethical disposition. Finally the chapter will explore the literature in regard to the possible influence of South African societal factors and challenges on ethical attitude and behaviour, in an attempt to understand the possible effect on prospective CA (SA)'s.

2.1 The relevance and expectations of ethics in the accountancy profession

According to Herron and Gilbertson (2003), although the public had long held the accounting profession in high regard, in recent times, ethical decisions of accountants have received increasing criticism with a wave of scandals leading to numerous charges of unethical conduct. Comunale et al. (2006) suggest that the profession experienced its deepest crisis in its history with the discovery of accounting professionals having acquiesced in immense fraudulent reporting by business giants including Enron, WorldCom and Tyco; which have left a lasting impact.

Ethical crises occur in all professions, affecting not only those already in the profession, but also those preparing to enter into it. Scandals damage a professions reputation, exposing its members to increased liability and also affecting the recruitment of new members (Comunale et al. 2006). Dellaportas et al. (2005) remind us that ethical issues arise not only in large corporations and in the form of major complex corporate scandals, but also in the form of basic every day decision making among small scale entrepreneurs.

This leads to the assertion that one of the greatest challenges facing the accounting profession today is maintaining exemplary ethical standards (O'Leary 2009). Jakubowski, Chao, Huh and Maheshwari (2002), re-iterate the significance of reinforcing the importance of ethics to the profession, and maintaining its position of public trust. Similarly, Rezaee (2004) posits that accountants need to be sceptical, alert, professional, inquisitive and need to understand the publics' trust in their profession.

2.2 Promoting ethics in the accountancy profession

Robinson et al. (2007) suggest that accountants need to be trained to withstand pressure and that consciousness needs to be raised to help improve judgements. Herron and Gilbertson (2003) propose the development of "principles-based" ethics standards. Rezaee (2004) proposes that accounting organisations bridge the perceived trust gap, integrating education into accounting students' courses and textbooks, thereby creating a culture focusing on honesty and high ethical standards.

The response to the loss of confidence in the accountancy profession, and the attempts to restore credibility and thereby avoid the repetition of highly publicised scandals are as follows:

- ***Professional Codes of Conduct***

The initial response by professional accountancy bodies was to set boundaries through new or updated professional codes of ethics along with calls for greater adherence thereto by their members.

Preuss (1998) however argues that a common misconception is to presume that ethics begins and ends with a code of ethics and legislation. Such measures cannot cover all possible eventualities, and generally focus on behaviours to avoid, rather than promoting positive ethics, and are therefore insufficient. Similarly, Shaw (2008) posits that given the nature of professional codes of ethics, they are neither complete or a reliable guide to a person's moral obligations. They recognise that, although individuals must take the injunctions of their profession seriously, they still have the responsibility to critically assess those rules of conduct for themselves.

It is therefore imperative that accounting professionals understand the connection of causality, being that a code of ethics prohibition is the result of the fact that such behaviour is "ethically wrong" and codes have to be reinforced with moral development of accountants (Preuss 1998).

Herron and Gilbertson (2003) test the potential for levels of moral development to influence the effectiveness of the Code. They found that if one's level of moral

development is mismatched with a Code of Conduct, a lack of consensus is evident. They also find that simply changing the form of the code to be more principles-based will not be effective in promoting higher levels of ethical behaviour. Referring to the findings of a study by Lampe and Finn (1992), focusing on the relationship between accountants' moral reasoning and their willingness to violate a Code of Ethics, Herron and Gilbertson (2003) explain that application of a Code depends on one's level of moral development, supporting well-known psychologists Kohlberg (1969) and Rest's (1986) theories, regarding accountants in their application of the Code. Rest (1986) suggests that in order to ensure public accountants make the public interest their highest priority, one needs to better develop their capacity to reason at post-conventional levels (Herron and Gilbertson 2003).

- ***University ethics education***

Calls to enrich the ethical behaviour of accountants through education and incorporate ethical education into accounting curricula has been gaining momentum. In recent years, University education has been a focus for instilling ethics in accountants, and in particular, on ethics being part of the curriculum in accountancy higher education.

Guffey and McCartney (2008) re-iterate the importance of educators developing and nurturing the moral belief systems of students. Similarly Ghaffari, Kyriacou and Brennan, (2008) advocate that any professional accounting body wishing to legitimate its claim to professionalism, must build into its testing and examination structure, elements that display and assess accountants' capacity to appreciate ethical practice.

Cohen, Pant and Sharp (1998) however argue that accounting educators cannot solve the moral and ethical problems of the accounting profession, as a conclusion to their study examining how members of the USA accounting profession evaluate the relative effectiveness of undergraduate accounting education (Ghaffari et al. 2008).

Piper et al. (1993) question whether it is the responsibility of business education to address ethical issues. They recognise that ethics represents yet another subject in already over-packed curricula, and that the values of business students are already fully formed and not amendable to revision or review in the lecture theatre. They suggest that these arguments, while truthful in portraying the challenges, appear unconvincing in their conclusion. "Surely business education must be an enterprise of both the intellect and the spirit – an endeavour that engages one's character and values, spurs one's imagination and sense of meaning, and stimulates one's sense of responsibility and accountability and one's desire to lead and create" (Piper et al. 1993: 4).

- ***Improving the behaviour of University students***

Since the behaviour of students represents the ethical level of future professionals, the rise of unethical behaviour amongst students at University is a cause for great concern. O'Leary (2009) observes that various studies (McCabe 2005; Glater 2006; Burke, Sims, Lazzara and Salas 2007) identify that the lack of ethics amongst University students is very widespread in higher education institutions and is on the increase from prior years.

In a study assessing students' ethical attitudes, O'Leary and Cotter (2000) find that 58% of Irish students and 23% of Australian students were willing to participate in fraud. Results of past surveys of accounting students find that very often the only motivation for students to reduce unethical tendencies and act ethically appears to be if the risk of getting caught existed, not the actual nature of the act being committed (O'Leary 2009).

Various studies (Harding 2004; Lawson 2004; Rakowski and Levy; 2007) have found that students acting dishonestly are more likely once in the business world, to commit unethical acts since this is an indicator of the behaviour and perception of those students (Pike and Aldazabal 2011). In other words, the lack of academic honesty, in its different aspects, is considered to be a strong indicator of the ethical behaviour and perception that those students will have in their professional life. This is particularly concerning in regard to accounting students who will face strong demands for ethical behaviour in their professional future.

It is therefore apparent that measures are required to bring about a change in students conduct in order to lower the probability of unethical behaviour in their professional lives. Determining students perceptions is consequently relevant and necessary, in order to establish the need for ethical levels to be improved through education. One of the greatest challenges for accounting academics today is how to get the ethical message across to accounting students, the practitioners of the future (O'Leary 2009).

2.3 Philosophical views on the nature and determinants of ethical attitude and behaviour

An understanding of the philosophical determinants of ethical reasoning is necessary to understand the philosophy behind ethical decision making and behaviour, in order to guide the approach to ethical education provided to South African accounting students.

Moral reasoning ability is important in determining whether or not a person will act with integrity, and appears to be influenced by an individual's moral courage, culture and relationships. Entrepreneurs tend to make decisions based on personal virtues, such as honesty, integrity, trust and compassion (Dellaportas et al. 2005). In the Fritzsche (2004) model, personal values are posited to be a major component influencing the ethical dimension of behaviour (Fritzsche and Oz 2007).

Guffey and McCartney (2008) find that the perceived importance of an ethical issue will vary in intensity, due to an individual's beliefs, traits and values and a situation may be viewed differently due to varying levels of moral reasoning since no two individuals hold identical systems of beliefs or values.

Comunale et al. (2006) find that a determinant of an individual's ethical sensitivity and response is based on various individual specific factors, including amongst others, values, culture, gender, age and defective moral upbringing. Similarly, Chan and Leung (2006) refer to studies identifying various factors that may affect professional accountants' ethical sensitivity process, including locus of control, age and education level. Borkowski and Ugras (1998) find that ethical

perceptions and intentions are related to several demographic (eg. gender) and psychological variables (eg. religiosity) unique to each individual (Elias and Farag 2010).

Chan and Leung (2006) however posit that the source of ethics is inside each of us, and we should just know the difference between right from wrong. Similarly, Satava, Caldwell and Richards (2006) suggest that when the available guidance in terms of ethics is vague or contradictory, logic ultimately assists people in discerning right from wrong and professionals must often rely on their own personal judgement. Greek philosopher Aristotle's "Virtue theory" emphasises that the integrity of a person's character is what matters in ethical behaviour and that we are born with certain natural inclinations that predispose us to acting a certain way (Rossouw et al. 2011).

A commonly heard view of integrity is the belief that "you've either got it or you don't" and that characters cannot be changed to that of morally sensitive and ethical. However, Pianter-Morland and Werhane (2008) argue that character is never fully formed and settled, but always vulnerable to circumstances. People change and are malleable, responding in fascinating ways to their environment, their peers and pressures around them. Similarly Shaw (2008) posits that as humans we mirror quite faithfully the central features of culture and time.

This theory is re-iterated in a growing body of psychological, philosophical, and sociological literature, including the findings of analytic philosopher, Harman (2000) insisting on human behaviour being dependent not on character, but mainly on one's situation ie. in the contexts within which they function. This includes the impact of broader cultural and societal factors as well as individuals tacitly referring to role models in their moral judgments and decision making.

Therefore a great deal of what we take as "character" is in fact due to specific social settings that reinforces conduct (Pianter-Morland and Werhane 2008).

This view is re-iterated by Frank (2005), who recognises that psychologists specialising in social behaviour have long been sceptical about the presence of stable individual differences, arguing that behavioural variances are much more likely to be explained by situational details rather than by stable differences in individual traits.

Similarly Guffey and McCartney (2008) and Shaw (2008) observe that the personal standards that people adopt are formed in large part from the influence of significant others that are in their lives and that a society's moral standards provide the basic guidelines for cooperative social existence. Ethical attitudes are thought to first be developed at home and later strongly influenced by the standards of an individuals' surrounding community, with the improper or even criminal behaviour of others influencing behaviour (O'Leary, 2009).

Following the above view of thought, Jackling, Cooper, Leung, and Dellaportas (2007) posit that if an individual's ethical disposition can be distorted in a negative way by outside factors, it should therefore definitely be possible for relationships, culture, values, regulations and other pressures to influence an individual's or even collective members of a profession's ethics in a positive way. Chan and Leung (2006), however disagree with this belief, stating that since unethical behaviour is often attributed to the defective moral upbringing of a person and therefore has determined moral character, individuals cannot be changed into that of morally sensitive and ethical.

Therefore the general philosophical views in regard to ethical conduct appear to have established that individual factors (such as demographic, personal values and traits, cultural) as well as situational factors (such as societal and circumstantial) may all be determinants of ethical decision making and resultant behaviour. Considering this, it is necessary to assess the effect, if any, that University ethical education may have on individuals' ethical consciousness.

2.4 The effects of ethical education on attitude and behaviour

Firstly the fact that ethical knowledge and behaviour is being provided to accounting students through formalised University education at adulthood level, needs to be further explored through the literature and previous studies that have been conducted in this regard.

➢ Providing ethical education at adulthood

Piper et al. (1993) recognise that many argue that it is too late to raise questions of ethics and values with students who are in their twenties, since such individuals are totally formed and unchangeable by that stage. They however reject this assertion, arguing that that there is no time in the human life cycle more strategic for grounding the decisions and actions of a future professional, as this is an ideal stage for enquiry and reflection. These students are at a critical stage in the development of their perceptions and views about business practice, ethical choices and the resolution of ethical dilemmas.

Piper et al. (1993) identify that conventional thought, based on a naïve view strongly influenced by the thinking of Freud, tends to equate ethics education with

character formation. This precarious view thus assumes that ethics cannot be taught to a person after the age of ten or twelve at the latest. According to them "A narrow understanding of Freud's notion that the superego represents the basic structure of morality and is established around the age of five or six constitutes a form of developmental determinism that contemporary psychological research does not support. Less–sophisticated rationales are manifested in such sentimental romantic notions as 'Everything is learned at mother's knee'. It cannot be stated too strongly that precursors of adult ethical practice are, indeed, laid down in the early years of life" (Piper et al. 1993: 14).

Verschoor (2004) re-iterates this school of thought, describing well-known psychologist Kohlberg's (1958) findings, that a person's ability to deal with moral issues is not formed all at once, in the same way that there are stages of growth in physical development, the ability to think morally also develops in stages. Similarly, Velasquez and Brady (1997) outline major research findings by psychologist James Rest (1986) whereby it is recognised that, in regard to problem-solving strategies used to deal with ethical issues, dramatic changes occur in young adults in their 20's and 30's. This is linked to fundamental changes in how a person perceives society and their role within it, and deliberate educational attempts to influence awareness of moral problems and ethical reasoning have been demonstrated to be effective (Verschoor 2004).

Since empirical evidence strongly suggests that moral development can continue into adulthood, and that particularly dramatic changes can occur in young adults in the context of University education (Piper et al. 1993) it is necessary to examine the literature in regard to whether formalised teaching of ethics is actually thought to be effective and how this teaching is thought to best occur.

- **The formalised teaching of ethics**

As a result of ongoing international interest and debate in the teaching of ethics, there is a proliferation of literature exploring the teaching of ethics that attempts to determine, understand and analyse best practices (Loeb 2007; Cooper et al. 2008; Ghaffari et al. 2008; Mitchem 2009; O'Leary 2009; Langlois and Lapointe 2010).

Verschoor (2004) argues that philosopher Socrates position was clear - since ethics consists of knowing what we ought to do, such knowledge can be taught. Hartman and Desjardins (2008) posit that for business students, the need to study ethics should be as clear as the need to study the other disciplines of business education as without this they will be unprepared for a career in current day business. Verschoor (2004) adds that any activity that encourages ethical decision making should be visible, reinforced often, and take place throughout the students' academic career, and not limited to one ethics course.

According to Langlois and Lapointe (2010), the educational setting is an ideal place to practise and integrate ethics, as it is this environment that helps to build tomorrows society. In a three-year action-research study evaluating whether ethics can be learned, and evaluating the impact of ethical training programmes, findings indicated a positive impact and improved ethical awareness as a result of the ethical training interventions. Supporting this, Guffey and McCartney (2008) argued that ethical graduates are more likely to become ethical professionals and various studies (Armstrong 1993; Shaub 1994) have also concluded on positive effects in this regard (Cooper et al. 2008).

However not all research supports the belief of moral and ethical growth over time through education. Low et al (2008) and Tang and Chen (2008) suggest that formal ethics training has little relevance on ethical development and fails to profoundly impact the ethical sensitivity of students. Other empirical studies (Ponemon 1993; Lampe 1996) found no significant change in students' ethical reasoning and development as a result of formal ethics interventions (Cooper et al. 2008).

- ***Ethical education for accounting students***

Lampe and Finn (1992) found mixed results based on the benefit of ethics courses in a study performed by University major. According to the findings, since accountancy and accountancy programs were considered to be rules-based, it is possible that accounting students will approach ambiguous ethical dilemmas differently than students pursuing other majors. Borowski and Ugras (1998) however did not find any evidence of a relationship between subject major and ethics courses, while Rettinger and Jordan (2005) concluded that business students were more prone to exhibit unethical behaviour than their liberal arts counterparts (Guffey and McCartney 2008).

Cohen, Pant and Sharp (1998) found evidence of respondents from the accountancy discipline viewing some behaviour from a different ethical perspective than students from other business disciplines. Similarly Piper et al. (1993) explain that students in business majors ranked lower than did graduate students in moral philosophy, political science, law, medicine and dentistry. This therefore suggests that individuals who are attracted to business may be predisposed to taking a more circumscribed view, which thus leads to a higher-than-average motivation toward self-interest and money-making (Piper et al. 1993).

Since the above highlights that research has found various factors, including ethical education, to affect ethical disposition, it is necessary to examine the literature in regard to whether and what other possible determinants may affect prospective CA (SA)'s ethical decision making.

2.5 Other possible determinants of ethical attitudes and behaviour

- **The motivation to act**

Shaw (2008) suggests that one of the problems facing ethical decision making is not in doing what is perceived to be right, but rather of deciding what the right thing is to do. Similarly Guffey and McCartney (2008) posit that the challenge in forming strong ethical foundations is not for an individual to recognise that a moral issue exists, the challenge is acting ethically once an ethical issue is recognised.

In this regard, Ghaffari et al. (2008) explain that whether students can apply what they learn from their ethics education to specific business situations depends on organisational context and prevailing cultural norms. Therefore, even if prior research suggests that ethical education may have worthwhile benefits and a positive effect on students' ethical reasoning, there are unfortunately various others factors that may still affect their ethical decision making and behaviour.

Rossouw et al. (2011) assert that persons who engage in unethical behaviour know beforehand that what they are about to do is wrong, but as they have a sufficiently strong motivation to act, do so nevertheless. Similarly Chan and Leung (2004) explain that even when an individual may have determined an ideal moral behaviour, other factors may be considered to be more important, and

therefore override the ideal moral intentions. Guffey and McCartney (2008) provide an example in this regard, of when a student, knowing it is unethical to copy from a fellow student's script (ethical judgement) still does so (failure to establish behavioural intent), thus knowingly acting in an unethical manner in favour of self-interest.

Social pressure can also affect ethical behaviour. An individual, after having carefully thought through a situation and decided as to what is right, may be motivated to act accordingly, but the social context surrounding the individual may create serious challenges to doing so (Hartman and Desjardins 2009). Furthermore, Shaw (2008) recognises that social pressures of various kinds may affect behaviour, and occasionally such pressures may make it difficult to act in an ethical manner, concluding that faced with the fear of violating expectations and group norms, about two-thirds of the population will yield to the group.

Other evidence suggests a higher level of moral reasoning will be employed when the resultant consequences of the moral issue appear to be high. Therefore a possible determinant of ethical behaviour can be thought to be the potential consequences of the ethical dilemma (Guffey and McCartney 2008).

- ***Self-interest***

Guffey and McCartney (2008) find that there are factors that compete with ethical judgment and influences that may cause behavioural intent not to follow ethical intent. The self-interest model, with its base in economics, has made strong inroads into various other disciplines, with philosophers, game theorists, psychologists, political scientists and others now relying increasingly on it to both predict and explain human behaviour (Frank 2005).

Satava et al. (2006) blame greed for the deviation from core ethical values among accountants, arguing that those that get caught up in situations and scandals, simply think that different rules apply in business than in other realms of life. Jackling et al. (2007), determined that self-interest was the most significant factor contributing to ethical failures for accountants. Other factors included failure to maintain objectivity and independence, inappropriate professional judgment, lack of ethical sensitivity and failure to withstand advocacy threats.

Elias and Farag (2010) argue that the overemphasis on financial goals is the root of all corporate scandals and that the love of money may have a potential negative effect on accounting students' ethical behaviour in the workplace especially in regard to illegal activities. They refer to a study conducted assessing US business and psychology students, where Tang and Chen (2008) find that the love of money predicted unethical behaviour for business students but not for psychology students. They also refer to the findings of Tang and Chiu (2003) who theorized that the love of money construct was strongly related to the concept of "greed".

- ***The process of ethical decision making***

The process of ethical dilemma recognition and resolution is thought to be extremely complex. Dellaportas et al. (2005) explain that it requires non-cognitive skills, such as interpersonal skills and moral imagination, in addition to cognitive skills. Chan and Leung (2004) explain a four model component framework constructed by Rest (1986), examining individuals moral thought processes and behaviour. Rest (1986) posited that in order to behave morally, an individual must have performed beforehand at least four basic psychological processes:

1) Moral sensitivity - Interpreting the situation

2) Moral judgement - Judging which action is morally right or wrong

3) Moral motivation - Prioritising moral values relative to other values

4) Moral character - Having courage, overcoming distractions, to carry out the moral action.

Rest (1986) explains that an individual needs to first perceive the ethical implications of a situation, then identify the effects on all affected parties and finally identify potential actions and evaluate the outcomes thereof. Moral judgement concerns which courses of actions are morally more justifiable, or fair or good, while moral motivation deals with the importance given to moral values versus other values. Deficiencies in this component occur when other values such as self-actualisation, or protection of one's self or organisation, are considered more important than doing what is actually right. Lastly, moral character refers to personalities such as toughness (Chan and Leung 2004).

2.6 The possible influence of South African societal factors and challenges on ethical attitude and behaviour

Irrespective of whether or not the traits of morality and ethics can be altered through education for aspirant accountants, their moral decisions and actions may also be influenced and determined by various other external influences. This section explores the effect that South African societal factors have on ethical perceptions.

According to Ghaffari et al. (2008), by including ethics within the accounting curriculum, the aim is to expose students to a body of material encouraging them to reflect on the kind of ethical dilemmas that they might encounter once they are active members of the profession. However whether students can later actually apply what they learned to specific practical business situations that arise depends on prevailing cultural norms.

Since the literature suggests that factors such as culture, upbringing and societal influences may significantly mould and influence an individual (Pianter-Morland and Werhane 2008; Guffey and McCartney 2008; Fritzsche and Oz 2007; Dellaportas et al. 2005; Comunale et al. 2006; Chan and Leung 2004; Borkowski and Ugras 1998) this brings to question the effect that living in the unique socio-cultural environment of South Africa, may have on prospective CA (SA)'s moral reasoning, ethical attitude and behaviour.

Shaw (2008) posits that as humans we mirror quite faithfully the central features of culture and time, since none of us lives in a vacuum, and therefore various sorts of social pressures always affect us. He explains ethical relativism, being the theory that what is right is determined by what a culture or society says is right, and that the moral system of the society in which the act occurs, is a key criterion for distinguishing right from wrong and for judging the ethical standard of an action.

According to Ghaffari et al. (2008) individuals need to recognise that their social environment greatly influences the range of options that are available to them and can therefore significantly influence behaviour. Jackling et al. (2007) further explain that individuals operate within a range of levels of moral reasoning, and there is evidence that these levels can be influenced by external factors. They

recognise that it has been found that the majority of the adult population, including accountants, are reported to possess conventional levels of moral reasoning, meaning that they are influenced by culture (including religion, legal system and political system) and specific regulations, rather than universal principles.

- ***Societal influences***

Bartels (1967) was one of the first to note the importance of the role of culture and society in ethical decision-making, identifying factors such as customs, religion, laws, respect, national identity and patriotism as influencing ethics. Since countries and societies differ in regard to cultural dimensions, so will the various determinants of their ethical decision-making differ (Vitell, Nwachukwu and Barnes, 1993). Similarly Ahmed, Chung and Eichenseher (2003) recognise that ethics and moral judgement involve the application of societal values, and that every culture has its values and norms that are developed over generations.

In one of the few studies devoted to the question of whether persons are inherently different with respect to ethical reasoning, Bucar Glas and Hisrich (2003) found differences across countries as regards their attitudes towards certain possible unethical behaviours. Their results are explained based on situational and contextual characteristics rather than innate person differences. This aligns to the model of psychologist Kohlberg's moral development, whereby he explains that at conventional levels of moral development, people adapt to the moral standards of their peers or the moral standards of society, particularly its laws (Guffey and McCartney 2008).

Moore and Radloff (1996) refer to the findings of a study undertaken by Preble and Reichel (1988) attempting to measure ethical attitudes held by final-year South African accounting students at Rhodes University. Three samples of students were assessed over a three year period (1989-1991) and results were compared with samples of Israeli, American and Australian business students. The results found significant differences between the South African and Israeli students. Amongst other things, South Africans were found to believe in the significance of personal moral values in influencing ethical decisions, and also that the law cannot safeguard ethical practice. In contrast, the Israeli sample had less belief in the significance of moral values and looked towards the power of law as a safeguard.

A South African study conducted by Morris et al. (1996) explored the impact of environmental turbulence on relationships between personal and organisational characteristics, personal values, ethical perceptions, and behavioural intentions. They found that turbulent environmental conditions led professionals to report stronger values and ethical norms, but less ethical behavioural intentions. According to the findings, it appears that in turbulent times, individuals lay claim to strong values, but behave less ethically. Their values and norms appear to be discarded when faced with actual ethical dilemmas.

Morris et al. (1996) maintain that these findings may be explained in terms of the theory of moral development (Kohlberg 1969; Rest 1986), as highly turbulent conditions (including a breakdown in law and order) may lead individuals' behaviour to be guided by reverting to reliance on peer group, hedonistic exchange, or avoidance of punishment.

A study by Vitell et al. (1993) found that besides the many factors that can influence ethical decision-making, eg. personal characteristics and professional environment, different cultural dimensions impact on the ethical decision-making process across different societies. According to them, in studies incorporating cultural norms as one of the constructs affecting an individual's perceptions in ethical situations, few have been cross-cultural in content, in spite of existing theoretical models (Ferrell and Gresham 1985; Hunt and Vitell 1993) recognising the importance of this factor.

Pianter-Morland and Werhane (2008) identified that many decision making models currently used within the field of business ethics are designed exclusively excluding the effects of systemic influences. They often ignore the impact of cultural and societal assumptions and underestimate the effect of power dynamics. According to them, a growing body of literature insists on the imbrication of individuals in the contexts within which they function and role models that individuals tacitly refer to in their moral judgments.

Rossouw et al. (2011) posit that "South Africa's people represent a fascinating diversity of cultures. There is no doubt that as South Africans, we need to do something about enhancing our moral standards." Supporting this view, Stulting (2000) asserts that in South Africa, with its unique socio-cultural conditions that may not hold in other jurisdictions, events have called into question many of the values formerly adhered to. Moral certainties and the strong consensus previously shared by families, educational institutions, religious organisations, professional associations and judicial system, no longer exist - in current times South African's live in a society with competing moralities where individuals have the difficult task of deciding which should prevail.

Conclusion

The literature suggests various determinants and factors that may significantly mould and influence an individual's moral reasoning and ethical behaviour, including amongst others, upbringing, societal influences and ethical education. This research report explores all of these factors from a South African perspective, in order to better understand prospective CA (SA)'s ethical perceptions, attitudes, beliefs and resultant University ethics educational needs.

CHAPTER 3

RESEARCH PROBLEMS

This chapter introduces and sets out the research problems that underlie the research report.

3.1 Research problem

3.1.1 *Main problem*

The purpose of the research is to investigate the underlying determinants of ethical attitude and behaviour amongst current prospective CA (SA)'s.

3.1.2 *Sub Problems*

- To assess the perceptions amongst prospective CA (SA)'s in regard to their ethical attitude, behaviour and tertiary education.

- To explore the possible influence of South African societal and cultural factors on the ethical attitudes and consciousness of prospective CA (SA)'s.

- To assess the nature of ethical behaviour and whether it can be altered through education provided to accounting students at University level.

3.2 Delimitations and limitations

The literature review incorporates both South African as well as international literature and studies. The conclusions of the research will be drawn from a South African perspective only.

Due to the sample used to conduct the analysis, specifically being students at only one South African University, the validity of the findings may be uncertain for the purpose of making inference about the perspectives of the general population. Considering that different Universities have varying student bodies, caution should be excercised in applying the conclusions reached in this research report to other institutions and to the general population. Rather than be used as independent conclusive evidence, the findings will be utilised in conjunction with the theory provided by the literature.

3.3 Assumptions

Being a non-quantitative study no numerical assumptions have been made.

CHAPTER FOUR

RESEARCH DATA AND METHODOLOGY

This chapter introduces the research framework and the concepts and principles that will be employed.

4.1 Methodology Overview

Since this research is grounded in a view of social constructionism, and given the need to explore individual insights, a strong qualitative element results.

An exploratory approach was employed, incorporating survey research, since a large focus of the research was based on perceptions, attitudes and beliefs and a degree of personal interpretation of some of the data. All of this invariably necessitated the need to adopt a primarily qualitative approach.

Whilst lacking the mathematical precision of quantitative research, a qualitative approach is, nevertheless, more suited to exploratory work in seeking to better understand a subjective and complex subject matter (Creswell 2003).

However a quantitative approach was used for the analysis of the data collected, with the use of quantitative statistics. Descriptive statistics and Ordered logistic regression were used, as well as Chi-Square analysis in order to identify if any associations existed between sets of categorical/ordinal variables. Some contents analysis, a qualitative method, was also used for the analysis.

Given the high degree of subjectivity with respect to the research problem, a vast array of literature was reviewed, analysed and incorporated in order to synthesise

the data contained in those sources. This provided a base in order to understand the general underlying views and findings in regard to the general nature and determinants of ethical behaviour and the usefulness of ethical education. It also framed the development of the proposed questionnaire to understand the viability of formalised ethical education to prospective CA (SA)'s.

By including personal views of the respondents, the research was able to capture a diverse range of perceptions, attitudes and beliefs in a South African context, to corroborate or draw attention to contrasts in the literature.

4.2 Research design

4.2.1 Research Instrument

The disadvantages of face to face interviews in this context of research need to be acknowledged. Due to the sensitive and personal nature of some of the thoughts, opinions and beliefs that participants were asked to provide, formal interviews would not have been able to provide a reliable means of obtaining responses. Interviewer bias can impact on the participants' willingness to participate as well as on their responses, whereas the interviewer could be affected in terms of the manner in which the questions are asked and responses recorded (Baladakis 2004; Neuman 2000).

A questionnaire was therefore able to provide a more open and reliable response. Questionnaires are an effective method used to collect information from a sample in regard to understanding experiences and opinions and can be generalised to the larger population the sample is supposed to represent (Baladakis 2004; Borg and Gall 1996).

The questionnaire respondents were granted full anonymity due to the nature of the questions. No means of identification was required on the questionnaire. Anonymity should ensure that the responses obtained are of a true and fair reflection to ensure utmost reliability of the results.

The paper-based questionnaire was constructed to address the research questions and consisted of thirty-five multiple choice questions as well as one open ended question. It was designed with a view to establishing students' perceptions and beliefs of ethics in the CA (SA) profession, ethics education, personal ethical grounding and the personal effects of ethical behaviour in South Africa.

Demographic characteristics of the respondents were ascertained in the first section of the survey, whereby respondents were asked to provide their gender, age and religion as well as whether they had completed formalised University ethics education. The second section of the survey instrument consisted of questions pertaining to the respondents' views on ethics and education within the CA (SA) profession as well as their personal views in regard to their own ethical attitudes and behaviour. The third section related specifically to societal factors of South Africa and required respondents to rate the effect, if any, that these have on them.

A five-point Likert scale of 1-5 was utilised, with responses ranging from "Completely disagree" to "Completely Agree". The use of a 5-point Likert scale, is commonly used for studies of this sort and was thus considered most appropriate. The final question included in the survey was open-ended in order to encourage the respondents to openly express their thoughts and opinions to allow for further

depth beyond the scope of the previous questions, to be noted as findings in the research.

The questionnaire was also designed in order to allow for the evaluation of whether an association exists between gender, age, religious beliefs and the completion of formalised University ethics education and respondents ethical views and beliefs provided (Refer "**Appendix A**" for questionnaire).

4.2.2 Prior research

A small part of the survey contained some Likert-scale questions adapted from a pre-existing instrument used for similar research conducted in a Spanish University (Pike and Aldazabal 2011) and has been adapted accordingly.

This research pursues a similar question posed by de Freitas (2004) in an unpublished thesis, "Determinants of ethical perceptions: a study of future South African Chartered Accountants". However, firstly the nature of the survey instrument utilised will bear no similarities to this research, and secondly the current research will specifically and uniquely incorporate present day South African societal factors and the effects thereof. Lastly, the focus of the current research is specifically in response to the SAICA formalised University ethics education requirements only implemented in 2007.

A key purpose of this research, understanding and addressing issues of ethics and ethics education in the University curriculum, follows a similar type of study conducted by Harvard Business School (along with many other professional schools - Darden School of Business at the University of Virginia and the Amos Tuck School of Business at Dartmouth) (Piper et al. 1993). In order to be able to

effectively address ethics education in their curricula, the study found it essential to first address the question of "Who are our students?" The study involved forty-two first year students chosen by random selection (5% of the class) and interviewed. The interviews were recorded, and thereafter transcribed and analysed. The students were advised that as they were not being studied as individuals per se, but rather as representatives of the wider student body, their identity would remain confidential (Piper et al.1993: 18). This allowed the researchers to gain an understanding of the values and realities of the current learning experience from a students' perspective, which in turn allowed them to successfully and effectively address issues of ethics in their curricula. This study demonstrated the importance and necessity of more formal and consistent interest in knowing the students (Piper et al. 1993).

This research report does not however follow the same approach as Piper et al. (1993) due to the acknowledgment (as discussed in Section 4.2.1), based on an understanding of the current participants, that:

- Interviewer bias could impact on the participants' ('prospective CA (SA)'s) responses;
- Formal interviews were not considered to be an effective means of obtaining the open and reliable responses required, due to the sensitive and personal nature of some of the responses that participants were asked to provide;
- Due to the highly diverse and demographic make-up of the participant body, a larger sample, which could be obtained from conducting a questionnaire contrast to formal interviews, would provide for findings more representative of the population and thus findings ultimately more relevant and reliable.

A similar type of research question has also been addressed in another professional field within South Africa by Baladakis (2004), in an unpublished thesis, "Experiences of a group of Gauteng based speech-language therapists and audiologists regarding professional ethics." This study utilised a formal interview process conducted on a small number of participants. As discussed previously, this method was not thought to be the appropriate choice for the current research, for reasons of attempting to obtain more relevant and reliable results through larger sample sizes and anonymity, which could be obtained through the use of questionnaires, the method thus adopted.

4.3 Population and sample

Students registered at the University of the Witwatersrand, a SAICA accredited University, were used as a surrogate for "*prospective South African Chartered Accountants*".

The population consisted of 272 final year Bachelor of Accountancy students registered at the University of the Witwatersrand during 2011, studying towards becoming a CA (SA), the majority of whom have completed a form of formalised ethics education in their University curriculum.

A sample of 161 fourth year students in this population, those of whom were actively involved in the formalised University curricula offered to them, were approached and invited to complete the questionnaire.

The population, being students from only one South African University was considered appropriate based on the vast diversity of this student body. A large proportion of the population were South African citizens, with permanent residents and foreign nationals also amongst the student body.

Final year students at the end of their degree were selected, as their ethical values and attitudes would be more thoroughly formed and developed and they will also have had exposure to some measure of formalised ethical education during their University career. They would also be expected to have a sense of commitment to the CA (SA) profession, being very close to writing their professional qualifying exams, and entering the profession.

Since this was one of the first group of final year students that had been exposed to formalised ethical education, based on the introduction of the SAICA requirements, it was considered appropriate to only use one year of students as questionnaire respondents.

4.4 Data collection

Potential participants were approached and invited to participate, after being given a brief description of the purpose of the research. Although the questionnaire provided sufficient instructions, while completing it, any particulars were explained if required. The questionnaires were coordinated and controlled by the researcher in order to ensure confidentiality and completeness of the surveys collected.

Respondents were required to mark their responses, complete the open-ended question, and submit their questionnaires upon completion. The individual results were then consolidated into an electronic detailed schedule, recording the frequency of each response provided. The use of an electronic spreadsheet facilitates the sorting, retrieval, classification and analysis of data (Baladakis 2004; Leedy 1997).

The data was then analysed and collective observations were made of relationships and any associations between factors. This was performed using descriptive statistics and ordered logistic regression analysis, as well as Chi-Square analysis (in order to identify if any associations existed between sets of categorical/ordinal variables). Ordered logistic regression was conducted where the dependant variable in each case was ordered (1-5) and the independent variables were categorical ordered as well. These results analysed quantitatively, were then graphically depicted in the form of pie charts, graphs and tables.

The final open-ended question of the survey allowed for participants to elaborate on any matters in regard to the questions that they had responded to in the remainder of the questionnaire. This allowed for a more in-depth analysis, by allowing participants to furnish any other thoughts, opinions and concerns that they had, in regard to the subject matter as a whole, namely ethics in the profession, ethical grounding and ethical education.

The question was transcribed and thereafter analysed qualitatively using thematic content analysis to identify, highlight, report on and draw necessary conclusions.

The analysis of the participants' comments and responses allowed for identifying the emergence of certain common key themes to be captured (Baladakis 2004; Neuman 2000). This allowed for further understanding of prospective CA (SA)'s opinions and views.

Once complete, results of the analysis were ultimately used to identify perceptions, attitudes and beliefs of the respondents. They were also used to identify any resultant inter-correlations and relationships to other variables - such

as age, religion gender and the completion of formalised ethics education. These results were then interpreted considering the literature review, to determine differences/similarities between the literature and the findings within a South African context and the necessary conclusions drawn.

4.5 Quality of research

- Due to anonymity provided, results should be more reliable than if they had been obtained using another research method, considering the nature of the questionnaire.
- A high degree of reliability will be maintained as a single researcher conducted the survey and thereafter captured all of the data.
- The required approval for administering the questionnaire was obtained from the University of the Witwatersrand's School of Accountancy Ethics Committee, by way of ethics clearance. This addresses any concerns in regard to the sensitive nature of the questionnaire.
- Due to the sample used to conduct the analysis, the validity of the findings may be uncertain for the purpose of making inference about the perspectives of the general population. Rather than be used as independent conclusive evidence, the findings will be utilised in conjunction with the theory provided by the literature.

The results of the research methodology adopted for this research, as discussed above, are presented and discussed in Chapter 5 "Results and Findings".

CHAPTER 5

RESULTS AND FINDINGS

The questionnaire used in this research report was designed with the purpose of establishing the determinants of ethical disposition and decision making that affect prospective CA (SA)'s. As a part of identifying these factors, the questionnaire was also designed to identify whether an association exists between gender, age, religion and the completion of formalised ethics education, in regard to the ethical views and opinions expressed by respondents in the questionnaire.

The demographics of the respondents were ascertained in the first part of the survey instrument (*Refer Appendix: Questions 1 - 4).* Respondents were asked to state their gender, age and religion and whether or not they had received formalised ethics education as part of their University studies – **Findings per Section 5.1**

Where relevant, results of associations between the characteristics ascertained, and the responses and findings in the remainder of the questionnaire, have been determined and analysed accordingly. This was done using Chi-Square analysis and Ordered logistic regression – **Findings per Section 5.2 - 5.4**

The second area of the research questionnaire (*Refer Appendix: Questions 5 – 7)*, consisting of questions relating to the respondents personal thoughts and views in order to establish their ethical determinants, required students to respond on a five-point Likert scale, with responses ranging from "Completely Disagree" (1) to

"Completely Agree" (5). Based on these responses, findings have been analysed accordingly – **Findings per Section 5.2**

A third area of the research questionnaire (*Refer Appendix: Question 8)*, consisting of questions requiring students to provide answers from two options provided to them, allowed the effect of other ethical determinants to be examined – **Findings per Section 5.3**

The fourth area of the research questionnaire (*Refer Appendix: Question 9)*, consisting of questions relating to the respondents personal thoughts and views specifically in relation to current day South Africa (in order to establish their ethical determinants) required students to respond on a five-point Likert scale, with responses ranging from "Completely Disagree" (1) to "Completely Agree" (5). Based on these responses, findings have been analysed accordingly – **Findings per Section 5.4**

The final section (*Refer Appendix: Question 10)* allowed students with the opportunity to openly express their own personal comments and opinions in regard to ethics and ethical determinants. These comments have been grouped and analysed accordingly – **Findings per Section 5.5**

5.1 Demographic Representation of Research Respondents:

5.1.1 Gender distribution

Of the total 152 questionnaire respondents, 50.7% are categorised as being female and 49.3% male.

It appears, as is identified and referred to in the various categories of findings in *Sections 5.2 – 5.4*, that there is often a degree of association between the gender of the respondent and their ethical perceptions/beliefs, with gender therefore having been identified as a potential ethical determinant.

5.1.2 Religion

As reflected in *Figure 1* below, a majority of the student respondents identified themselves to be Christians, followed by Hindus, Catholics and Islam. Smaller proportions consisted of Jewish students, agnostics, Jehovahs Witness and Anglican.

A fairly large portion of the respondents, 11% (or 17 individuals), did not identify having a specific religion – leaving it open to interpretation as whether these students do not follow a particular religion, or rather made a choice not to disclose their religion, in an attempt to avoid any association with very personal responses provided in the remainder of the questionnaire.

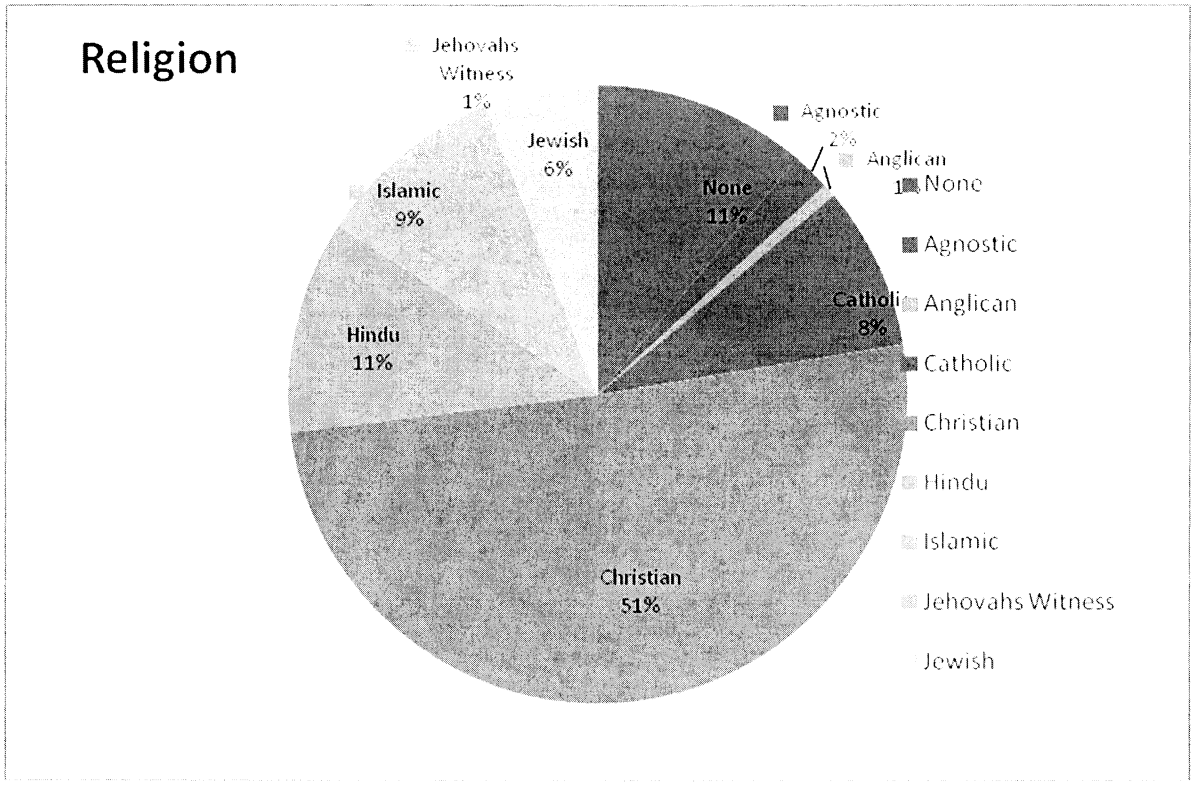


Figure 1: Religion

As identified in the findings *Sections 5.2 – 5.4*, it appears that there is often a degree of association between the religion of the respondent and their ethical perceptions/beliefs, with religion therefore having been identified as a potential ethical determinant evident in this research.

5.1.3 Age distribution

Given the nature of the sample – students in their final year of accounting studies ('prospective CA (SA)'s) – As indicated in *Figure 2* below, the range of the questionnaire respondents' ages is fairly small, being 20 -25, with a mean age of 22.

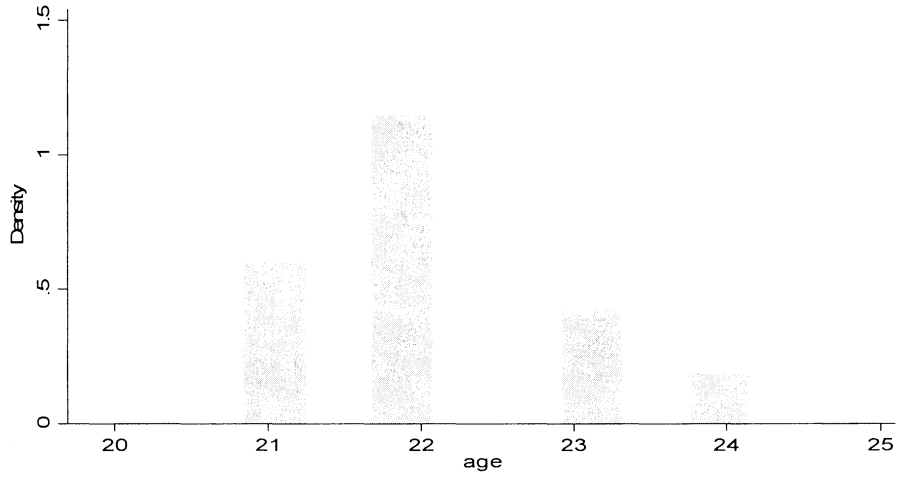


Figure 2 Age Distribution

The majority of students fell into the 21-23 years of age category. In light of the fact that these students are studying at the University of the Witwatersrand by way of a full-time degree, and that the South African Chartered Accountancy profession is structured in such a way that students go directly from their schooling into University, this majority age category was expected.

It appears, as is identified and referred to in the various categories of findings in Sections *5.2 – 5.4*, that there is often a strong degree of association between the age of the respondent and their ethical perceptions/beliefs, with age therefore having been identified as a possible ethical determinant evident in this research.

However the age variable may not have had a sufficient spread of responses to allow for rigorous statistical analysis and well-grounded conclusions in this regard.

5.1.4 Completion of Formalised University Ethics Education

As indicated in *Figure 3* below, the vast majority, 96%, of the questionnaire respondents have received formalised ethics education by way of a separate course / subject during their University studies. This being as a result of this area of study having been introduced as part of the Universities curricula for prospective CA (SA) students four years ago.

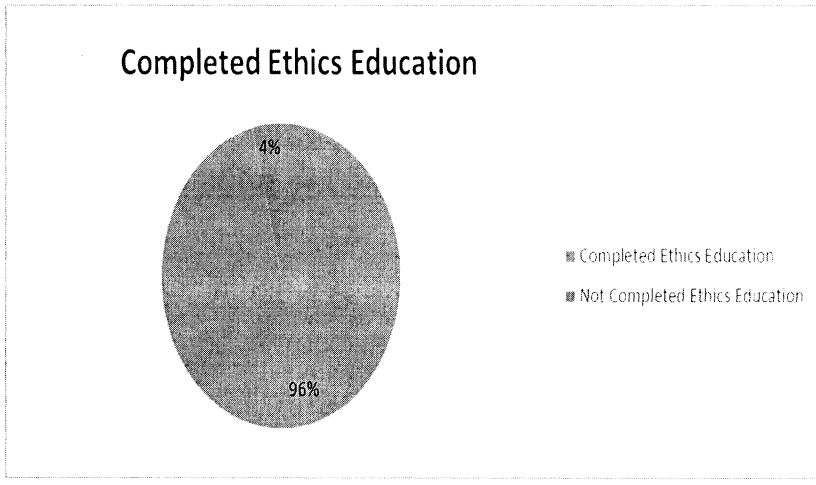


Figure 3 Completion of formalised ethics education

It appears, as is identified and referred to in the various categories of findings in *5.2 – 5.4*, that there is very often a degree of association between having received University ethics education, and respondents ethical perceptions/beliefs, with the completion of formalised ethics education therefore having been identified as a possible ethical determinant evident in this research.

However, due to the very small portion of respondents having not received this education, assumptions and generalisations to be made in regard to these findings, should be done with caution. This is discussed in more detail in the analysis of results.

5.2 Analysis of results

5.2.1 Summary of results – Ethics in the CA (SA) profession

The findings below reflect the results of the personal thoughts and views of prospective CA (SA)'s in regard to ethics in the CA (SA) profession.

Tables 4 and 5 contain the findings with respect to 'beliefs on ethics in the CA (SA) profession (*Refer Appendix Question 5*).

TABLE 4

Mean Scores of respondents' beliefs on ethics in the CA (SA) Profession

Scenarios - Beliefs on Ethics in the CA (SA) Profession		Mean Score
a)	I believe that ethics is extremely important for the profession	4.56
b)	believe that teaching ethics to prospective CA(SA)'s will result in a noticeable change in the future behaviour of the profession	3.59
c)	I believe that it is impossible to be completely ethical in the business world	3.13

TABLE 5

Statistical illustration of findings

Scenario	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
I believe that ethics is extremely important for the profession	0.7%	1.3%	2.0%	33.1%	62.9%
I believe that teaching ethics to prospective CA(SA)'s will result in a noticeable change in the future behaviour of the profession	2.6%	24.5%	9.9%	37.7%	25.2%
I believe that it is impossible to be completely ethical in the business world	10.6%	30.5%	6.6%	40.4%	11.9%

As reflected in *Tables 4* and *5* above, although the responses indicate, as expected, that by far the absolute majority of respondents *'believe that ethics is extremely important for the profession'*, with a high mean of 4.56 evident, and in absolute terms the percentage of respondents who have not actually agreed with this being minimal (4%), it is of great concern that there are 'prospective CA (SA)'s' who at this stage of their academic careers, and at the brink of their professional future, do not agree with this imperative factor.

In response to '*I Believe that teaching ethics to prospective CA (SA)'s will result in a noticeable change in the future behaviour of the profession'*, an interesting finding indicated in *Table 5*, is that only 62.9% actually conform to this belief, with 27.2% of respondents not agreeing as such.

A startling result was observed as illustrated in *Figure 4* below, in regard to '*I Believe that it is impossible to be completely ethical in the business world'*, with the findings reflecting that a large number, 52.3%, of these 'prospective CA (SA)'s' believe that it is *not* possible to be completely ethical in business. Again, considering that these represent the views of prospective South African

accountancy professionals starting their careers, this viewpoint can certainly be considered to be an area for concern.

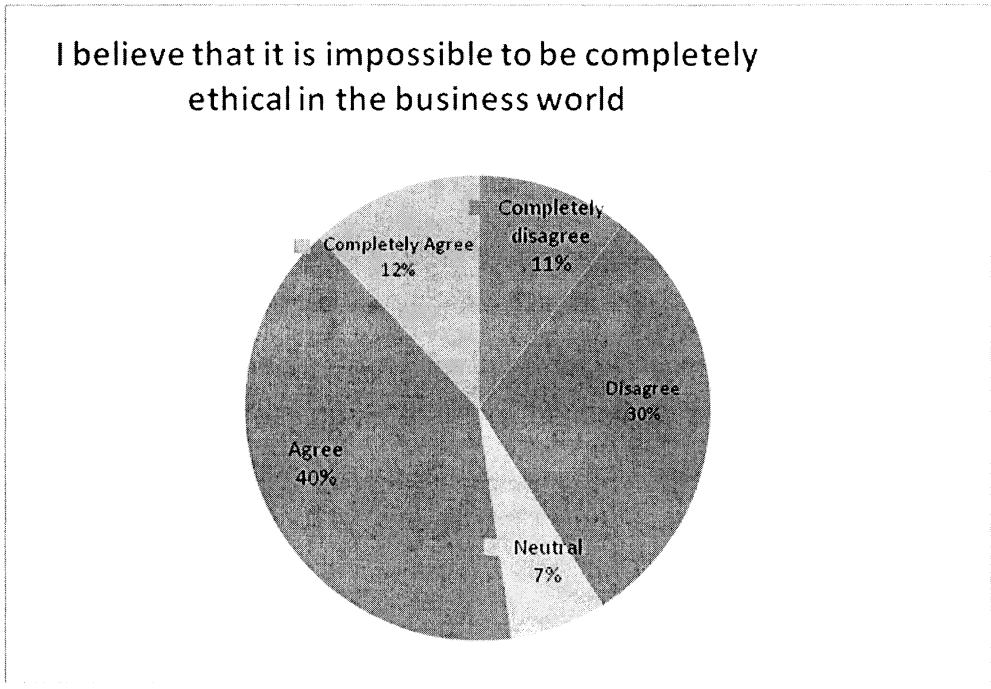


Figure 4 Being ethical in the business world

Chi-Square analysis and Ordered logistic regressions were performed in order to establish whether any associations existed between sets of categorical / ordinal variables, to assess whether there was a relationship between the findings analysed above, and the age, gender or religion of the respondents, or other variable factors identified from responses provided elsewhere in the questionnaire. The results are summarised below:

- ***Age:***

  - It was found that the belief that *ethics* is extremely important for the CA (SA) profession is significantly influenced by the age of the student.

- The results also indicate a highly significant (<1%) relationship between age and respondents' belief that teaching ethics to prospective CA (SA)'s is important for the profession.

Therefore older students had a reduced belief that both ethics and ethics education was important for the CA (SA) profession.

➢ ***Gender***

- Gender was found to be of moderate influence, with females demonstrating stronger ethical principles:
    - In respect to the response of *'teaching ethics to prospective CA (SA)'s will result in a noticeable change in the future behaviour of the profession',* as indicated in *Table 4,* the mean score for male respondents was 3.36 versus a score of 3.79 for females.
    - The mean score for male respondents in response to the belief that it is impossible to be '*completely ethical in the business world'* was 3.32, versus a lower score of 2.93 for females for the question, as indicated in *Table 4*.

➢ ***Religion***

- A significant relationship (5%) was found between religion group and belief that the teaching of ethics could change ethical behaviour in the profession. Christians and Hindus largely agreed that ethics education could change ethical behaviour in the profession, whilst many Jewish and Catholics disagreed.

➢ ***Other variable associations***

- The belief that *'teaching ethics to prospective CA (SA)'s will result in a noticeable change in the future behaviour of the profession'* is significantly (5%) influenced by friends and highly significantly (<1%) influenced by University education (*these influences identified in Section 5.2.3*).

- The belief that it is impossible to be '*completely ethical in the business world*' is moderately influenced (10%) by family (*these influences identified in Section 5.2.3*).

Having analysed the findings in regard to Ethics in the CA (SA) profession, the next section of results will analyse findings in regard to "Ethics education" in the CA (SA) profession.

5.2.2 Summary of results – Ethics education in the CA (SA) profession

With respect to the evaluation of 'prospective CA (SA)'s perceptions of ethics education in the CA (SA) profession, *Tables 6 and 7* summarise the results of the findings (*Refer Appendix Question 6*).

TABLE 6

Mean Scores of respondents' beliefs of ethics education in the CA (SA) Profession

	Scenarios - Beliefs on Ethics Education in the CA (SA) Profession	Mean Score
a)	I believe that receiving ethics education at University will change my current and future ethical behaviour	3.07
b)	I believe that ethics and morality cannot be taught to me through formalised education	3.20
c)	I believe that completing an ethics course at University has been/or would have been a waste of time that could have been used for more crucial subjects in the curriculum	2.74
d)	I believe that ethics education should have been provided to me before my University years rather	3.57
e)	I feel that being taught the SAICA and IRBA Codes of Professional Conduct, has positively influenced my future ethical behaviour	3.76

TABLE 7

Statistical illustration of respondents' beliefs

Scenario	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
I believe that receiving ethics education at University will change my current and future ethical behaviour	7.9%	33.6%	13.8%	32.9%	11.8%
I believe that ethics and morality cannot be taught to me through formalised education	3.9%	35.5%	10.5%	36.2%	13.8%
I believe that completing an ethics course at University has been/or would have been a waste of time that could have been used for more crucial subjects in the curriculum	17.8%	35.5%	10.5%	27.0%	9.2%
I believe that ethics education should have been provided to me before my University years rather	7.9%	14.5%	10.5%	47.4%	19.7%
I feel that being taught the SAICA and IRBA Codes of Professional Conduct, has positively influenced my future ethical behaviour	2.0%	7.9%	17.1%	58.6%	14.5%

The findings indicate that with a mean score of 3.07, as reflected in *Table 6*, and only 50% of respondents believing that ethics and morality can be taught to them through formalised education, as indicated in *Table 7*, highlights the mind-set that many students hold that ethical education is beneficial.

This view is strongly confirmed by the findings in response to a similar scenario regarding the belief that receiving ethics education at University will change their current and future ethical behaviour, with only 44.7% of respondents believing this to be true, as reflected in *Figure 5* below.

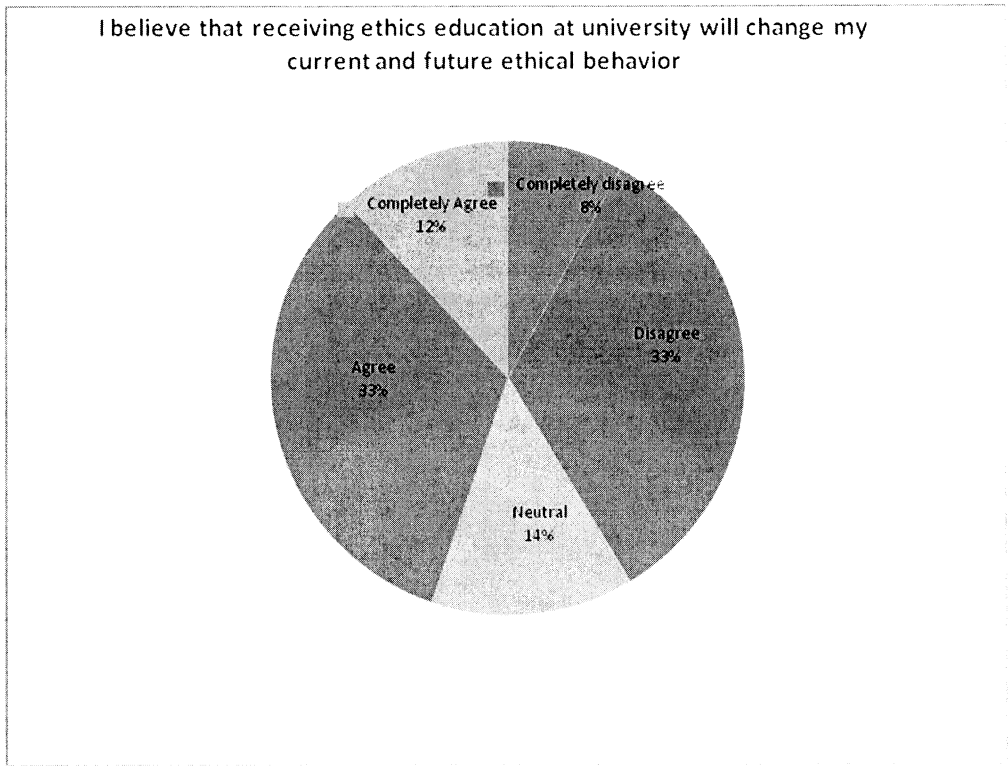


Figure 5 Belief that receiving ethics education will change behaviour

The trend of thinking above is similarly re-iterated in the response to '*I believe that completing an ethics course at University has been/or would have been a waste of time that could have been used for more crucial subjects in the curriculum'*, with 36.2% of respondents acknowledging that this was indeed their personal belief (and a further 10.5% being non- committal/neutral).

The above findings therefore highlight that a large majority of 'prospective CA (SA)'s' do not see the benefit of formalised ethics education provided to them at University level, either not believing that ethics and morality can be taught to them through this means, and/or finding the University education provided as not being useful and beneficial to them. Considering the focus being placed on the

implementation and development of ethics education, it is concerning that this is the viewpoint of a fairly large proportion of these students.

Following on from these views, an interesting finding was that a large majority, 73%, of students answered in the affirmative in regard to *'I feel that being taught the SAICA and IRBA Codes of Professional Conduct, has positively influenced my future ethical behaviour'.* This scenario reported a relatively high mean score of 3.76, as reflected in *Table 6*. Therefore although many respondents did not see the value of a separate ethics course (with a mean score of 2.74), they did feel that the study of the professions' formalised codes (taught to them via the curricula of other subjects) had a positive effect and benefit on their ethical disposition.

This finding is in line with Piper et al. (1993) who posit that adult ethical and moral development occurs in a variety of formal and informal settings, but there is ample evidence that ethical consciousness can undergo transformation at least through some aspects of formalised ethics education, even if not a "specially separate course".

In light of the findings above regarding the benefit of formalised University ethics education, it is not surprising that with a mean score of 3.57, and 67.1% of students believing that ethics education should have been provided to them before their University years.

Chi-Square analysis and Ordered logistic regression were performed in order to establish whether any associations existed between sets of categorical / ordinal variables, to assess whether there was a relationship between the above findings

and other responses provided elsewhere in the questionnaire, including the religious beliefs of the respondents, and are summarised below:

- ***Religion***

  - The findings indicate that a moderate relationship (10%) exists between religious groupings and whether ethics education provided at University level had changed their behaviour.

    - Interestingly, Christians and Hindus largely disagreed that using formalised ethics education to teach ethics and morality was a waste of time, whilst Jewish and Catholics agreed that this teaching was a waste of time.

  - Similarly, a highly significant relationship (<1%) is also evident between religious group and whether the ethics course that had been provided to them at University was thought to be a waste of time.

    - Christians disagreed whilst Jewish and Catholics students agreed that the ethics course was a waste of time. No significant relationship was found amongst the other religious groups.

The above findings in regard to varying beliefs amongst different religious groups is *perhaps* evidence of an indication of various religions having unique attitudes and different focuses on ethics than others, thus mitigating the need for repeating this in University, since it may form part of their religious teachings and studies.

- ***Other variable associations***

  Note: The *influences referred to below are as identified in Section 5.2.3*

  - The belief that ethics cannot be formally taught is highly significantly (<1%) influenced by culture and University education and moderately influenced (10%) by laws and regulations.

  - The belief that ethics education provided at University will change future behaviour is very strongly associated (<1%) by friends, religion, schooling and laws and strongly associated with the consequences of an act.

  - The belief that the ethics course was a waste of time is very significantly (<1%) influenced by religion, friends and University, as well as significantly (5%) by age, culture and only moderately (10%) by consequences.

  - The belief that being taught the SAICA and IRBA Codes of Professional conduct has very positively (<1%) influenced my ethical behaviour is influenced by University education.

  - The belief that ethics should have been taught before University is significantly (5%) influenced by family and friends.

Having analysed the findings in regard to ethics and ethics education in the CA (SA) profession, the next section of results will now analyse findings in regard to identifying the influence of various factors on moral views and behaviour.

5.2.3 Summary of results - The influence of various factors on ethical and moral views and behaviour

With regard to the comprehensive debate in the literature in regard to ethical determinants, a detailed evaluation of 'prospective CA (SA)'s beliefs as to the factors that have influenced their ethical views and behaviour was obtained (Refer Appendix Question 7) and is summarised and illustrated in Table 8, Table 9 and Figure 6.

With respect to the evaluation of ethical determinants, students were asked to respond to the effect of various factors, using a five-point Likert scale ranging from 'completely agree' (scale 1) to ' completely disagree' (scale 5).

The overall means score identified in this regard varied from 3.32 - 4.74 with lower scores being interpreted as not being a very strong determinant and having less significant influence (Reflected graphically in *Figure 6*).

TABLE 8

Mean Scores of factors influencing respondents' ethical disposition:

Ethical influence	Mean Score
My family	**4.74**
My friends	**3.74**
My culture and upbringing	**4.53**
My religious beliefs	**4.26**
My schooling education and teachers	**3.80**
My University education and lecturers	**3.32**
Laws and regulations and the consequences thereof	**3.74**
The consequences of tainted reputation / adverse publicity	**3.74**

TABLE 9

Statistical illustration of findings:

Ethical Influences	Completely Disagree	Disagree	Neutral	Agree	Completely Agee
My family	0.7%	0%	0%	23.0%	76.3%
My friends	1.3%	13.8%	11.8%	55.9%	17.1%
My culture and upbringing	2.0%	0%	1.3%	36.2%	60.5%
My religious beliefs	3.3%	6.6%	9.2%	23.0%	57.9%
My schooling education and teachers	1.3%	11.8%	15.8%	47.4%	23.7%
My University education and lecturers	5.3%	21.1%	18.4%	47.4%	7.9%
Laws and regulations and the consequences thereof	4.6%	11.9%	9.3%	53.0%	21.2%
The consequences of tainted reputation /adverse publicity	3.3%	13.2%	13.2%	46.7%	23.7%

With 99.3% of respondents identifying that the influence of their family is thought to be an exceptionally strong determinant, as indicated in *Table 9*, and this factor obtaining the highest mean of 4.74, (as illustrated in *Figure 6* below) the influence of family on students ethical decision making and behaviour is undeniable.

Another very strong ethical determinant identified is culture and upbringing, as expressed by 96.7% of students, with a mean score of 4.53. These results are in line with various previously mentioned studies and findings in the literature (Comunale et al. 2006; Fritzsche and Oz 2007) which find factors such as culture and upbringing to be strong influences of ethical disposition – These findings were discussed in detail in the Literature Review, *Chapter 2, Section 2.3 - Philosophical views on the nature and determinants of ethical attitude and behaviour.*

Figure 6 below, reflects a graphical representation of the effects of influences, based on the average mean scores.

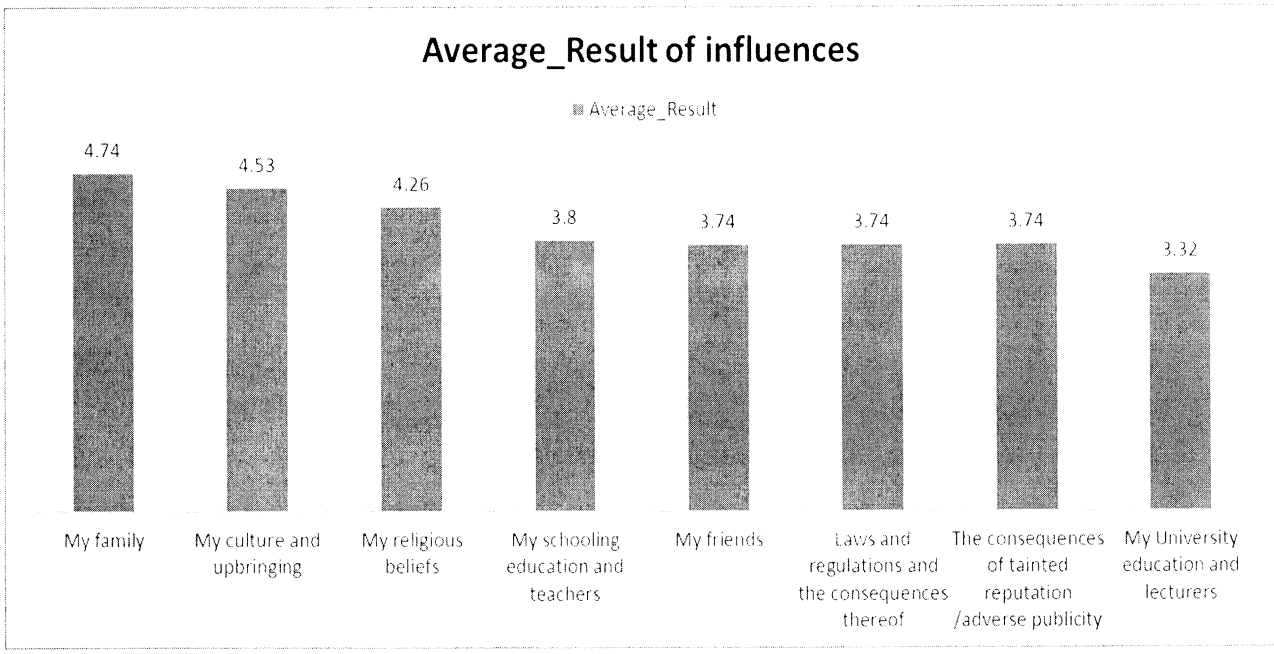


Figure 6 Ethical Influences

The effect of religious beliefs is also identified as being strong, with 80.9% agreeing with a mean score of 4.26. This confirms the thoughts as to the influence that religion has on an individual's ethical beliefs and behaviour.

This finding indicates, as discussed previously (Section 5.2.2) that in regard to beliefs amongst different religious groups there is perhaps evidence of an indication of different religions having different attitudes and focuses on ethics than others, since it may form part of their religions teachings and studies.

The above findings are in line with Shaw (2008) who posits that it is beyond doubt that religion influences the moral standards and values of most individuals, as any religion provides its believers with a world view, involving certain moral

instructions, commitments and values. However he also reminds us that given that religions differ in their moral principles and members of the same faith very often even disagree among themselves on ethical issues, practically speaking you cannot justify a moral principle or decision simply by appealing to a religion.

Other strong determinants include friends, with 73% identifying this influence, as well as laws and regulations and the consequences thereof, 74.2% noting this. The influence of consequences of tainted reputation / adverse publicity has also been identified as a determinant by 70.4% of respondents. Interestingly, all three of these factors obtained an identical mean score of 3.74, as per *Table 8.*

Having concern for the "consequences" of the decision or action (and possibly not the fact that the decision or behaviour is morally wrong) is addressed and analysed further in *Section 5.3.*

In regard to the aspect of education and the influence thereof, it is interesting to note as indicated in *Figure 6* above, that schooling education and teachers are thought to be a much stronger ethical determinant (71% identifying this factor, mean 3.8), than the effect of University education and lectures (55.5% identifying this factor, mean 3.32).

It is therefore concerning that the area where ethical teaching is *actually* being formally addressed thorough University education and formalised ethics courses- now having been formally implemented in response to the SAICA Competency Framework of 2010 - has been identified as the *lowest determinant* (having

obtained the lowest mean score) of all of the factors that respondents were asked to identify.

Chi-Square analysis and Ordered logistic regressions were performed in order to test and establish whether any associations existed between sets of categorical / ordinal variables eg. religion and gender as well as other responses provided elsewhere in the questionnaire by the respondents:

Results of the above analysis are summarised below:

- ***Religion***

  - The results indicate a highly significant relationship (<1%) between religion group and whether their ethics were influenced by their friends.

    - All the main religious groups, namely, Christian, Islam, Jewish, Catholic and Hindu indicated their ethical behaviour was influenced by their friends.

- ***Gender***

  - The results indicate that a significant relationship (<1%) exists between gender (with higher mean scores identified for females than males) and the following factors influencing their ethical values:

    - Religious beliefs;
    - University education and lecturers;
    - Schooling education and teachers;
    - The consequences of laws and regulations

- ***Age***

  - The results indicate that no significant relationship exists between age and the factors identified as influences.

- ***Other variable associations***

  - A moderate relationship (10%) exists between whether students' ethics are influenced by the law and whether or not they have completed a formalised University ethics course.

5.3 Summary of results - The effect of "*consequences*" and "*justification*" on ethical disposition

5.3.1 Consequences - As an ethical determinant

In an attempt to identify whether the possible consequences of an unethical action acts as a determinant of making an unethical decision, respondents were asked to identify what factor influences their decision as to whether or not to cheat - Either the fact that they may get caught and face consequences or rather the fact that it is actually morally wrong and unethical.

The findings of these 'prospective CA (SA)'s' response to '*what makes you think or stops you from behaving unethically eg. Cheating in an exam?*' (Refer Appendix Question 8(i)) is illustrated in *Figure 7* below.

Absolute findings – Response per number of students

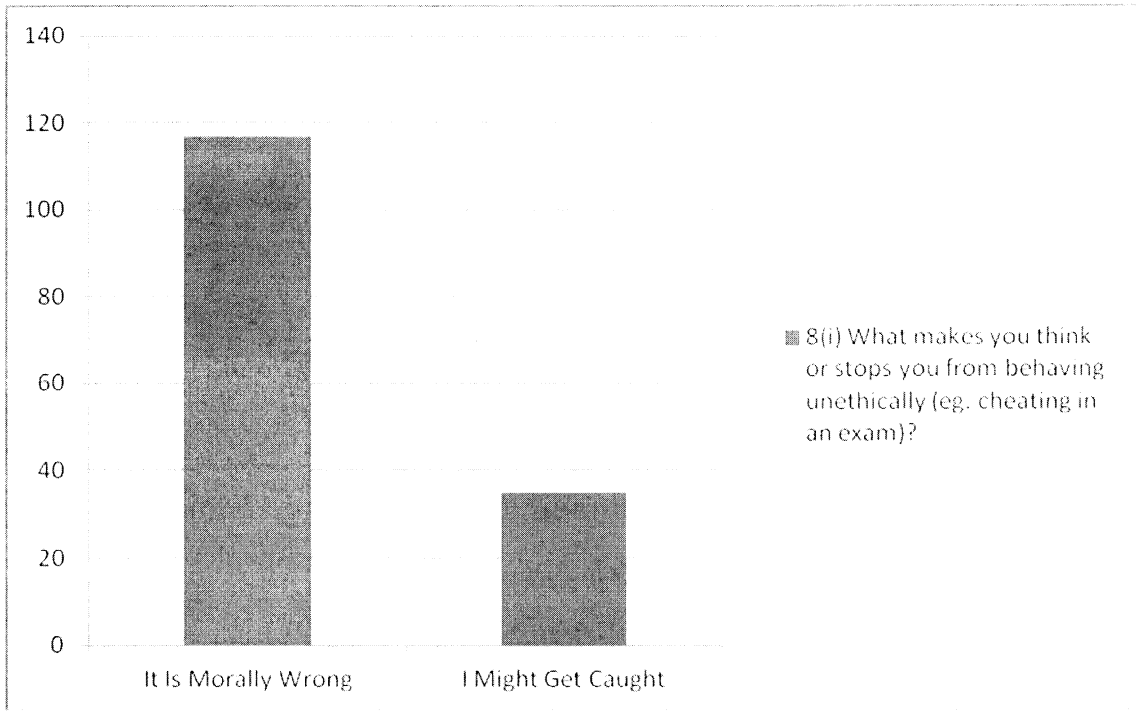


Figure 7

5.3.2 Justification – As an ethical determinant

In an attempt to identify whether the possible justification of an unethical action acts as a determinant of making an unethical decision, respondents were asked to respond to whether they would cheat in an exam if they were aware that others were doing so and were not getting caught.

Figure 8 below illustrates the findings in respect to the number of prospective CA (SA)'s response to '*If you were aware that some of your classmates were cheating in exams and were not "getting caught", would you be more inclined to do so as well, feeling justified since others were doing it.' (Refer Appendix Question 8 (ii)).*

Absolute Findings - Response per number of students

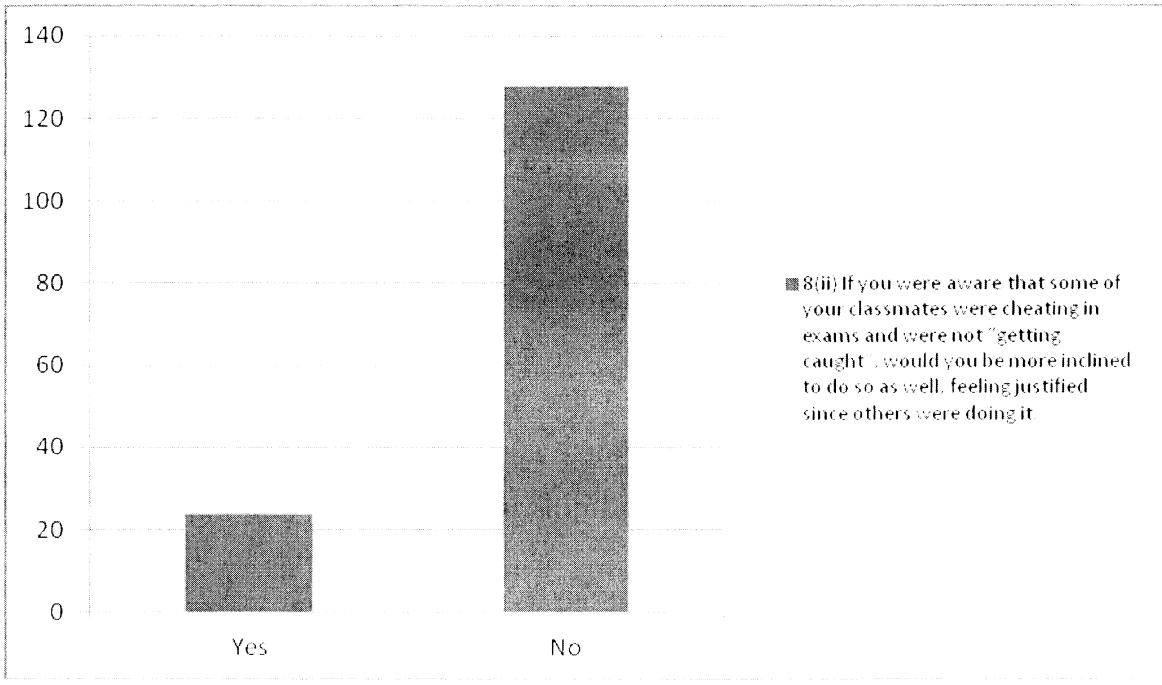


Figure 8

Analysis of 5.3.1 and 5.3.2:

In response to being asked '*what makes you think or stops you from behaving unethically (eg. Cheating in an exam)',* although a high proportion, 77%, of respondents identified that the fact that it is morally wrong precludes them from acting unethically, a concerning 23% of respondents, did not identify this as being their ethical determinant. Instead, the fact that they might get caught should they choose to do so ('the consequence') is identified as their determining factor in the making of this ethical decision.

This finding is in line with the literature and previous studies (Guffey and McCartney 2007) that have identified that the consequence/s of an action is often

the ethical determinant for an individual and not actually the immoral or unethical consideration of the dilemma. As per the findings of Guffey and McCartney 2007, studies of ethical determinants have found evidence suggesting that higher levels of moral reasoning will be employed by individuals when the degree of the resultant consequences of the moral issue appear to be high.

A possible determinant of the ethical behaviour of some individuals can thus be thought to be the potential consequences of the ethical dilemma, as has been confirmed with these findings.

Following on from the above, the 'justification of an action' has been identified as being a determinant for some individuals, which again highlights that it is unfortunately not always the immoral or unethical consideration of the dilemma that halts unethical decision making or behaviour.

This factor was identified as a finding, in response to *'If you were aware that some of your classmates were cheating in exams and were not "getting caught", would you be more inclined to do so as well, feeling justified since others were doing it.'* - Despite the fact that a large majority, 84.2%, of students did not answer in the affirmative, the 15.8%, who did so, is very concerning.

Both of the above findings (in regard to 'consequences' and 'justification') are concerning in light of the students being 'prospective CA (SA)'s, where ethics is an absolute imperative. In their future professional careers they will be exposed to various pressures and ethical dilemmas that could possibly be 'justified' and /or often have little or no consequences, and these future professionals therefore require very strong resistance as well as resilient ethical thought and standards.

Chi-Square analysis and Ordered logistic regression were performed in order to establish whether any associations existed between two sets of categorical / ordinal variables in regard to the above findings:

- ***Religion***

  - A moderate relationship (5%) exists between whether students' ethics are influenced by whether their classmates cheat and their religion, as well as whether or not they have completed a formalised University ethics course.

    - In this regard, all the religious groups indicated that they would not feel more inclined to cheat as a result of the knowledge that others were.

- ***Gender***

  - A highly significant relationship (<1%) exists between gender and whether the cheating of a fellow classmate (and not getting caught) would influence them to do so, as is illustrated in *Figure 9* below.

Statistical illustration by gender:

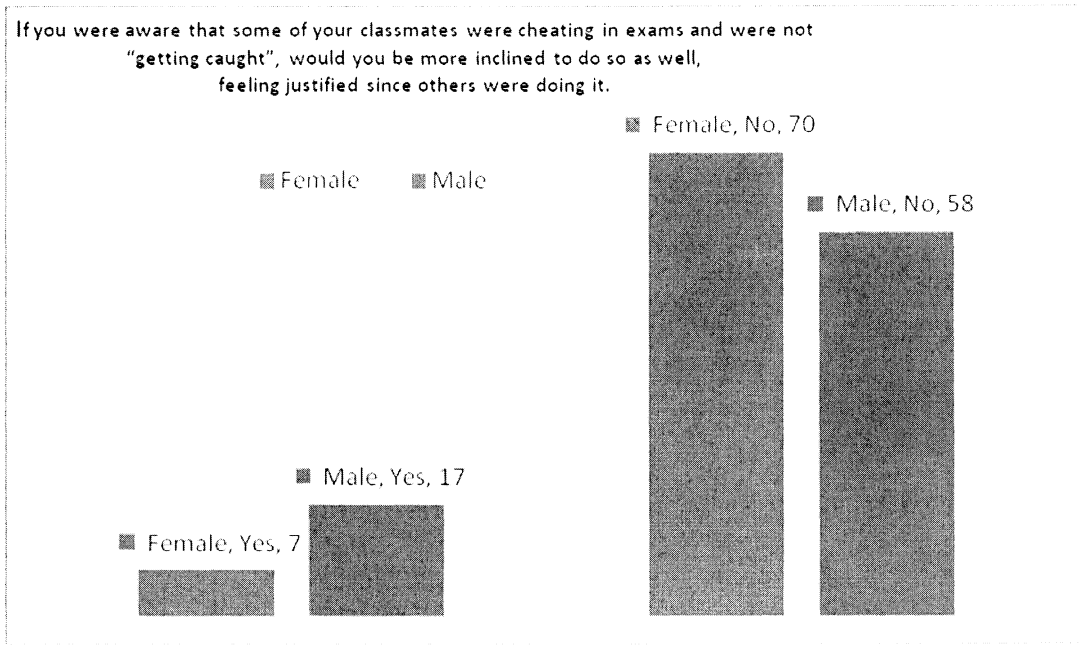


Figure 9

As is evident in regard to this finding, females respondents can be said to exhibit greater ethical sensitivity than their male counterparts. As is illustrated in the table above, females appear to be less likely to be influenced in this regard and thus can possibly be said to be less likely to use 'justification' and 'lack of consequences' to influence their ethical decision making, instead making decisions based more on true ethical or moral values and beliefs.

5.4 Summary of results - Views on South African society and living in South Africa

Tables 10 and 11 illustrate respondents' views of South Africa and the effect thereof on their current ethical disposition (Refer Appendix Question 9 (a-f)):

TABLE 10

Mean Scores

Scenario	Mean Score
I believe South Africa to be a country with strong value systems and ethical behaviour	**2.33**
My ethical decision making is influenced as a result of this belief (my answer to the above)	**2.66**
It makes me inclined to feel the need to behave more ethically	**3.92**
It makes me inclined to feel the right to behave less ethically	**2.11**
I believe that ethical expectations, attitude and behaviour differs in South Africa in comparison to other jurisdictions	**3.74**
I believe that there is a lot of unethical practices and behaviour in the South African business environment	**4.24**

TABLE 11

Statistical illustration of findings:

Scenario	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
I believe South Africa to be a country with strong value systems and ethical behaviour	14.7%	58.7%	7.3%	17.3%	2.0%
My ethical decision making is influenced as a result of this belief (my answer to the above)	15.6%	39.5%	12.2%	28.6%	4.1%
It makes me inclined to feel the need to behave more ethically	1.9%	10.4%	7.5%	53.8%	26.4%
It makes me inclined to feel the right to behave less ethically	35.9%	34.8%	13.0%	15.2%	1.1%
I believe that ethical expectations, attitude and behaviour differs in South Africa in comparison to other jurisdictions	3.4%	13.4%	6.0%	59.7%	17.4%
I believe that there is a lot of unethical practices and behaviour in the South African business environment	0.7%	4.0%	6.7%	48.0%	40.7%

With a mean score of only 2.33 (*Table 10*) and with a fairly low percentage of respondents actually agreeing with the belief that South Africa is a country with '*strong value systems and ethical behaviour*', 19.3%, it is undeniable that a large majority of students have a perception that South Africa's ethical standards are questionable. This highlights the unfortunate negative perception of ethical conduct within the country.

Even though the perception of ethical value in South Africa was low, the results of the following investigation in later questions were fairly encouraging, in that it would appear that this perception has generally had a positive influence on these individuals ethical disposition, where they felt inclined to either feel the *'need to behave more ethically'* (having obtained a mean score of 3.92) or instead did not feel that they had the *'right to behave less ethically'* (having obtained a mean score of 2.11), as illustrated in *Table 10*.

In absolute terms, 80% of respondents have allowed the overall negative perception of South Africa's ethical culture to encourage them to feel the need to improve their own personal ethical behaviour and similarly 71% do not believe that it gives them the right to behave less ethically.

Although the majority of respondents viewpoints were encouraging on these matters, the remainder of the respondents beliefs have to leave one with a sense of concern - 16% of students (*as well as possibly some of the 13% who have remained neutral*) felt the right to behave less ethically as a result of the low ethical perception of South Africa. Once again, considering these represent the views of possible future accounting professionals, this mind-set of some of these individuals is of great concern.

The findings per *Table 10 and 11* indicate that a large proportion of respondents, 77%, believe that ethical expectations, attitude and behaviour differs in South Africa in comparison to other jurisdictions, with a mean score of 3.74 having been obtained in response to this.

In response *to 'I believe that there is a lot of unethical practices and behaviour in the South African business environment',* only a minimal 4.7% of respondents did not agree with this statement. This together with a mean score of 4.24 evident in *Table 10*, indicates a very strong overall level of agreement with this unfortunate view.

The above findings are all in line with the literature and previous research (Ghaffari et al. 2008; Jackling et al. 2007; Bucar, Glas and Hisrich 2003; Morris et al. 1996; Guffey and McCartney 2008) which identifies the effect of social surroundings and ethical culture very often acting as a determinant of ethical decision making and behaviour for some individuals - As per *Chapter 2, Section 2.6 / The possible influence of South African societal factors and challenges on ethical attitude and behaviour).*

Chi-Square analysis and Ordered logistic regression was performed in order to establish whether any associations existed between two sets of categorical / ordinal variables, the results were as follows:

- ***Religion***
  - A highly significant (<1%) relationship exists between the perception that South Africa is a country with 'strong value systems and ethical behaviour' and religion.

- In this regard, a significant number of respondents that were Jewish, Catholic and Hindu felt that their perception of South African ethical behaviour did not influence their own ethics.
- In the case of Christians and Islam respondents, as many felt their perception of South African ethical behaviour influenced their own ethical behaviour, as those that felt it did not.

- All the major religious groups appeared to support the contention of the need to behave more ethically
- A significant relationship exists (5%) between the need to behave more ethically in South Africa and the religion of the respondent.

➢ ***Completion of formalised ethics education***

- A significant relationship exists (5%) between the need to behave more ethically in South Africa and whether or not they have attended a formalised University ethics course.
- A significant relationship also exists (5%) between the belief of the right to behave less ethically in South Africa and whether or not they have attended a formalised University ethics course.

These findings are summarised below:

	MEAN SCORES	
	Have completed formalised ethics education	**Have not completed formalised ethics education**
'It makes me inclined to feel the need to behave more ethically'	**3.96**	**3.20**
'It makes me inclined to feel the right to behave less ethically'	**2.07**	**2.81**

In absolute terms, the above findings can be described as follows:

- In comparison to the overall analysis whereby 80% of respondents agreed with the fact that South Africa makes them *'inclined to feel the need to behave more ethically'*, the results of students who had *not* received formalised ethics education reflect that only 60% agreed with this statement.

- In comparison to the overall analysis of 71% of respondents disagreeing with the fact that it makes them *'inclined to feel the right to behave less ethically'* the results of students who had *not* received formalised ethics education reflect that only 40% disagreed with this statement.

These results therefore *possibly* highlight the positive effect that formalised ethical education may have therefore had on these prospective CA (SA)'s, this in line with the literature and previous studies (Guffey and McCartney 2008; Cooper et al. 2008; Verschoor 2004; Piper et al. 1993) in this regard – As per Chapter 2, Section 2.4 / The effects of ethical education on attitude and behaviour). Formalised University ethical education can thus be identified as a *possible* ethical determinant of respondents.

However due to the minimal absolute number of respondents having not had formalised University ethical education (as per Section 5.1.4), generalisation of this finding should be done with extreme caution. With the split between those that had done ethics, and those that had not, and only 4% having not, statistically, as this may not be a representative number of those that had not, this cannot be used in order to draw a valid and reliable conclusion. In addition to this it needs to be considered that those that have not done ethics, are presumably weaker students (as they

presumably repeated courses in order to have taken longer to reach final year at University), based on the timing of the formal ethics course being introduced. These students are thus perhaps "a bit jaded" by their failure and as a result may be displaying different responses in regard to ethical attitudes and beliefs.

Table 12 illustrates the findings of respondents' views of various factors in regard to South Africa's ethical values and practices.

TABLE 12

Statistical illustration of findings:

Scenario	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
To act unethically feels somewhat justifiable, since I am aware that many in high standing business positions have done so	29.3%	49.3%	8.0%	9.3%	4.0%
I believe that professionals in South Africa who remain completely ethical in business will be at a disadvantage	17.4%	34.9%	10.1%	30.9%	6.7%
I believe that should I commit an unethical act in South Africa, in comparison to most other jurisdictions, there would be a much greater chance of no consequences	7.5%	23.1%	17.0%	43.5%	8.8%

Similarly, in light of the findings discussed previously in *Section 5.3.2*, 'justification' has once again been found to act as a determinant of many individuals' ethical reasoning, with 13.3% of respondents, responding in the affirmative in regard to the following statement: *'To act unethically feels somewhat justifiable, since I am aware that many in high standing business positions have done so'.*

This is unfortunate evidence of the effects of living in South Africa playing a part in negatively affecting the ethical reasoning and ultimate justification of the respondents. Although statistically this finding is considered to be a small proportion of the sample, due to the qualitative intensity of these respondents displaying such a negative mind-set, this is also considered as an area for concern.

These findings are in line with the literature (Ghaffari et al. 2008; Jackling et al. 2007; Bucar, Glas and Hisrich 2003; Morris et al. 1996; Guffey and McCartney 2008) and the effects of the influence of societal factors – As per Chapter 2, Section 2.6 / The possible influence of South African societal factors and challenges on ethical attitude and behaviour.

Other findings summarised:

- As evidenced in *Table 12*, 37.6% of respondents '*believe that professionals in South Africa who remain completely ethical in business will be at a disadvantage'.* A mean score of 2.74 was obtained in response to this statement.

- As per *Table 12, 52.4%* of respondents believing that if they committed an unethical act in South Africa, in comparison to most other jurisdictions, there would be a much greater chance of no consequences *(with a further 17% remaining neutral)*. A mean score of 3.23 was evident in this regard.

  The above findings are considered to be concerning in light of the fact that these are strong negative perceptions about South Africa that the respondents will begin their professional careers with in the country.

The above findings have been further analysed in relation to gender, in order to identify any correlation as such.

The results are summarised as follows:

	Average Mean score Male	Average Mean score Female
To act unethically feels somewhat justifiable, since I am aware that many in high standing business positions have done so	2.29	1.89
I believe that should I commit an unethical act in South Africa, in comparison to most other jurisdictions, there would be a much greater chance of no consequences	2.11	1.66

Table 13 below illustrates the findings of respondents' views in respect to various other factors in regard to South Africa's ethical values and practices.

TABLE 13

Percentage illustration of findings:

Scenario	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
Once in business, if I was certain that I could get away with it should I commit an unethical act, I would engage in such behaviour	39.2%	43.9%	9.5%	7.4%	0.0%
To act unethically feels somewhat justifiable, since I am aware that many in positions of public authority and power (eg. Government) have done so	43.0%	39.6%	4.7%	10.7%	2.0%
Knowing that many unethical or corrupt actions committed have had little or no consequences for the perpetrators, I feel more inclined and justified to engage in unethical behaviour	40.3%	48.3%	4.7%	6.0%	0.7%
Knowing that many unethical or corrupt actions committed have resulted in high returns, such as monetary rewards, status and success, I feel more inclined to engage in unethical behaviour	40.0%	44.7%	4.7%	8.7%	2.0%

Similarly, in light of the findings discussed previously in Section 5.3.1, 'consequences' (or rather a lack thereof) has once again been found to be a determinant of some individuals' ethical reasoning - This having been identified in the findings in response to *'once in business, if I was certain that I could get away with it should I commit an unethical act, I would engage in such behaviour'* and *'Knowing that many unethical or corrupt actions committed have had little or no consequences for the perpetrators, I feel more inclined and justified to engage in unethical behaviour'.*

As per *Table 13*, although statistically a small percentage of only 7.4% and 6.7% respectively have agreed to these two statements, the qualitative aspect of both of these findings is concerning. Since it is evident that there are respondents (possibly approximately 7% of the population), that display this strong unethical viewpoint at the outset of their professional accounting careers. These findings are in line with the literature (Guffey and McCartney 2007) and once again indicate that the consequence/s of an action is often the ethical determinant for some individuals and unfortunately not actually the immoral or unethical consideration of the decision.

Once again, 'justification' (as discussed in detail previously in 5.3.2) has been identified as an ethical determinant, with 12.8% of students (as indicated in *Table 13*) feeling it being somewhat justifiable to commit an unethical act in South Africa, since they are aware that many in positions of public authority and power (eg. Government) have done so. Although not a large number in absolute terms, it remains a concern that South African societal factors may have a negative influence on at least on some students ethical disposition and reasoning.

As indicated in *Table 13*, 10.7% of respondents have displayed the effect of self-interest as an ethical determinant by agreeing that high returns, such as monetary rewards, status and success make them feel more inclined to engage in unethical behaviour. This in line with previous findings in the literature (Elias and Farag 2010; Guffey and McCartney, 2008; Jackling et al 2007; Frank 2005) – As per Chapter 2, Section 2.5 / Self Interest.

The above findings, in respect to 'lack of consequences', 'justification' and 'self-interest' acting as ethical determinants, have been further analysed in order to identify any possible correlation to gender.

The results are illustrated in Table 14 below:

Table 14

	Average Mean score Male	Average Mean score Female
Once in business, if I was certain that I could get away with it should I commit an unethical act, I would engage in such behaviour	2.01	1.69
To act unethically feels somewhat justifiable, since I am aware that many in positions of public authority and power (eg. Government) have done so	2.0	1.75
Knowing that many unethical or corrupt actions committed have had little or no consequences for the perpetrators, I feel more inclined and justified to engage in unethical behaviour	1.96	1.61
Knowing that many unethical or corrupt actions committed have resulted in high returns, such as monetary rewards, status and success, I feel more inclined to engage in unethical behaviour	2.11	1.66

The findings above, reflected by lower mean scores for female versus male respondents, indicate that females display higher levels of ethical sensitivity than

their male counterparts. This reflects that female respondents ethical decision making is based more on actual ethical and moral reasoning, rather than by the consideration of other factors (such as justification and self-interest) that often alter ethical decision making and behaviour.

All of the findings per *Section 5.4*, have been further analysed in order to identify any possible correlation to the completion of formalised University ethics education (as per demographics in Section 5.1.4) and the above findings.

The results are indicated in Table 15 below:

Table 15

	Average_Mean Completed Ethics Education	Average_Mean No Ethics Education
It makes me inclined to feel the need to behave more ethically	3.96	3.20
It makes me inclined to feel the right to behave less ethically	2.07	2.80
I believe that ethical expectations, attitude and behaviour differs in South Africa in comparison to other jurisdictions	3.73	4.0
I believe that there is a lot of unethical practices and behaviour in the South African business environment	4.22	4.67
To act unethically feels somewhat justifiable, since I am aware that many in high standing business positions have done so	2.04	3.33
I believe that professionals in South Africa who remain completely ethical in business will be at a disadvantage	2.71	3.67
I believe that should I commit an unethical act in South Africa, in comparison to most other jurisdictions, there would be a much greater chance of no consequences	3.20	4.0

	Average_Mean Completed Ethics Education	Average_Mean No Ethics Education
Once in business, if I was certain that I could get away with it should I commit an unethical act, I would engage in such behaviour	**1.82**	**2.50**
To act unethically feels somewhat justifiable, since I am aware that many in positions of public authority and power (eg. Government) have done so	**1.85**	**2.83**
Knowing that many unethical or corrupt actions committed have had little or no consequences for the perpetrators, I feel more inclined and justified to engage in unethical behaviour	**1.76**	**2.33**
Knowing that many unethical or corrupt actions committed have resulted in high returns, such as monetary rewards, status and success, I feel more inclined to engage in unethical behaviour	**1.85**	**2.50**

It is evident, as is illustrated in *Table 15* above (and has been identified in several previous sections), that there appears to be a degree of association between having received this formalised University ethics education and respondents ethical perceptions/beliefs. The differences, some fairly large in statistical terms, in regard to the average mean scores computed above, indicates the different viewpoints that these individuals appear to hold.

The completion of formalised ethics education has therefore been identified as a *possible* ethical determinant evident in this research, this in line with the literature - As per Chapter 2, Section 2.4 / The effects of ethical education on attitude and behaviour.

However as previously discussed, due to the minimal absolute number of respondents having not had formalised University ethical education generalisation of this finding should be done with extreme caution as these findings cannot be

used to draw a valid conclusion. As previously discussed, it also needs to be considered that those that have not done ethics, are presumably weaker students, perhaps a bit jaded by their failure, and thus may be displaying different responses in regard to ethical attitudes and beliefs.

5.5 Findings of Open-ended question

The last question of the questionnaire, '*Any further comments you wish to make in regard to the subject or any of the above*' (Refer Appendix), being open-ended, allowed for participants to elaborate on any matters in regard to the questions that they had responded to in the remainder of the questionnaire.

This open-ended question allowed for more in-depth analysis, by allowing participants to furnish any other thoughts, opinions and concerns that they had, in regard to the subject matter as a whole, namely ethics in the profession, ethical grounding and ethical education.

31% of the 152 participants who had completed the questionnaire, took the opportunity to express their personal views by completing the open-ended question. These responses were analysed and certain common themes that emerged upon analysis of the participants' comments were captured. This allowed for further understanding of prospective CA (SA)'s opinions and views.

Examples of comments reflecting themes and sub-themes were as follows:

- Most of the participants' expressed their personal view that morals and ethics are individual specific and very personal.
- There is a very strong belief that not everyone has the same morals and ethical beliefs and therefore that people view ethics, ethical dilemmas and behaviour very differently.

- An interesting view expressed by several respondents was that although you can attempt to teach people ethics, ultimately there has to be the desire for them to actually want to behave morally and ethically.

- Common views expressed in regard to the moulding and influencing of ethics, were as follows:

    - The nurturing of ethics occurs by an individual's upbringing, family and home life.

    - Several respondents expressed the opinion that ethics is also affected by circumstances and the people that individuals surround themselves with.

- A large number of respondents provided comments in regard to formalised ethics education only being addressed at University level, summarised as follows:

    - They believed that by this late stage, ethics has already been ingrained and morals and values strongly formed (many linked this to the comments provided in the previous discussion above).

    - In this regard, they all expressed the opinion that ethics needs to be taught at a much earlier stage than at University, rather during schooling years ie. during childhood where moral grounding could still be nurtured.

- Comments and views provided in regard to the formalised ethical education that they had been provided at University was fairly unanimous:
    - Many blatantly expressed that they felt that the course that they had completed had been a waste of time.
    - In their opinions, the teachings were much too philosophical and should be more practical in nature, with the need for case studies to be incorporated in order to avoid the course being theoretical.
    - Several expanded on this, by expressing their belief that ethical education should provide students with the guidance to make informed decisions and to better understand possible ethical dilemmas.

These findings are in line with the literature. Piper et al. (1993) recognise that University ethical education needs to provide interesting and exciting examples in order to attract and engage students. Ethical education needs to incorporate carefully researched case studies about outstanding business leaders, the challenges that these individuals faced, what decisions and actions they took, and what led them to conduct their affairs as they did. According to them, this is the side of ethics education that attracts rather than repels students.

CHAPTER 6

CONCLUSION AND FUTURE RESEARCH

6.1 Conclusion

If the South African chartered accountancy profession, driven by its professional body SAICA, is going to be in a position to maintain its integrity and professional status, ethical standards and education need to be maintained and improved through various forms of professional education and training.

It is the hope that ethics education provided to future CA (SA)'s at University level will raise ethical consciousness, allowing these individuals to resist and rise up against the pressures and motivations commonly evident within the profession. Unfortunately it will never be that all students will take from their University education all of the ideal ethical qualities of character and judgment needed. As Ghaffari et al. (2008) expressed, by including ethics within the curriculum, accounting educators are not claiming that they can solve all of the moral and ethical problems of the profession. However University educators need to at least attempt to inspire prospective CA (SA)'s to have the conscience and courage to stand up for their convictions, equipping students with the tools to be able to address moral dilemmas in a profession where decision making based on one's personal integrity and own judgement is fundamental.

Until the moral decision-making processes and perceptions amongst prospective accountants are truly understood, it is doubtful that we will be able to develop effective strategies for enhancing these belief systems (Guffey and McCartney

2008). It was therefore of vital importance to address this area of research in order to determine and comprehend prospective CA (SA)'s beliefs and attitudes.

This research report therefore investigated the underlying determinants of ethical attitude and behaviour amongst prospective CA (SA)'s, allowing for an enhanced understanding of the viability of formalised tertiary education, attempting to alter ethical disposition. By exploring this within a South African context, it also enhanced the understanding as to whether, and to what extent, South African societal circumstances and challenges influence prospective CA (SA)'s ethical attitudes and perspectives.

Findings of this research indicate that the ethical decision making and behaviour of prospective CA (SA)'s is strongly influenced by family, culture and religion. To a lesser degree, friends, schooling and university education, laws and the consequences and justification of decisions, influenced their ethical judgement. Gender and age were also identified as influences in ethical disposition. Findings further indicated that these future CA (SA)'s convey the belief that although formal teaching of ethics was considered to change behaviour, such interventions were considered to be most effective if delivered prior to their tertiary education. Evidence of this research indicated a perceived low level of ethical behaviour in South Africa, although participants generally felt that they were not negatively influenced by this, and felt the need to behave more ethically.

The results of this research could assist Universities in applying the findings in the structuring and design of their ethics courses. With students being dependent upon mentors and strategies during their University studies, they need to be provided with the tools required for complex ethical analysis and be empowered to create resultant integral solutions. This requires the need for attention to both the content of the ethics curriculum as well as the teaching process. It is essential that

the University curriculum be designed and implemented so that ethics cannot be perceived as "a matter set apart", in order to address the conventional and dangerous ethos of society which presumes that there is a split between commerce and values (Piper et al. 1993).

In a few years we should be able to evaluate the effect that the introduction and focus on ethical education within the University Curriculum for future Chartered Accountants has had on the accounting profession in South Africa. In the meantime, we may need to revisit and modify the instructional approach that is currently being adopted, having gained insight and perspective into the minds of those for whom the courses have been aimed to educate.

6.2 Future Research

The findings of the present research have several implications for further research in the area of ethical decision making and behaviour of chartered accountants in South Africa. These include the following:

- In future years, in order to evaluate the effects of the introduction of ethical education into the CA (SA) training programme, as a result of SAICA educational developments and the SAICA Competency Framework, research may involve analysing and comparing University and SAICA reports of ethical violation amongst its students and members (specifically trainee accountants) respectively, as well as incidences of cheating amongst those writing qualifying examinations, in order to evaluate the viability and benefit that the introduction of this ethical education has provided.

- Further research could also be carried out in regard to obtaining the perceptions of fully qualified CA (SA)'s who are already active members of the CA (SA) profession, evaluating their ethical determinants, and comparing the results to the findings of this research, in order to identify any interesting comparisons.

Due to the sample used to conduct this research analysis, being students at only one South African University, this study could be extended to different Universities, having varying student bodies, in order for the validity of the findings to be more certain for the purpose of making inference about the perspectives of the general population.

Finally, part of this research intended to identify the effect of societal influences and ethical culture on individuals. Vitell et al. (1993) note that in studies incorporating cultural norms as one of the constructs affecting an individual's perceptions in ethical situations, few have been cross-cultural in content, in spite of the importance of this factor. Ideally, several countries need to be included in a study so that the effects of cultural dimension can actually be measured. Although there may be difficulty in doing this and several studies will possibly be needed, this is possibly is a worthwhile research endeavour in the area of ethical disposition and the effect of culture / society as an ethical determinant.

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APPENDIX

Your response to this questionnaire will assist in research seeking to understand the ethical attitudes and perspectives of aspirant CA(SA)'s and the viability of including ethical education in the curriculum.

All responses are strictly confidential. Please refrain from providing your name or other identifying information in order to maintain anonymity. Thank you for your participation.

1) Gender:

FEMALE MALE

2) Age: ☐

3) Religion: ☐

4) Have you received ethics education by way of a separate Course/subject during your University studies?

YES NO

For the remaining questions, please mark the most relevant answer (maximum 1 per question):

5) Ethics in the CA (SA) profession:

	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
I believe that ethics is extremely important for the profession					
I believe that teaching ethics to prospective CA(SA)'s will result in a noticeable change in the future behaviour of the profession					
I believe that it is impossible to be completely ethical in the business world					

6) Ethics education in the CA (SA) profession:

	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
I believe that receiving ethics education at University will change my current and future ethical behaviour					
I believe that ethics and morality cannot be taught to me through formalised education					
I believe that completing an ethics course at University has been/or would have been a waste of time that could have been used for more crucial subjects in the curriculum					
I believe that ethics education should have been provided to me before my University years rather					
I feel that being taught the SAICA and IRBA Codes of Professional Conduct, has positively influenced my future ethical behaviour					

7) I believe that my ethical and moral views and behaviour has been/is influenced by.....

	Completely Disagree	Disagree	Neutral	Agree	Completely Agree
My family					
My friends					
My culture and upbringing					
My religious beliefs					
My schooling education and teachers					
My University education and lecturers					
Laws and regulations and the consequences thereof					
The consequences of tainted reputation /adverse publicity					

8) As a student:

i) What makes you think or stops you from behaving unethically (eg. cheating in an exam)? :

(A) The fact that it is morally wrong and unacceptable behaviour OR

(B) The fact that I may get caught and have to face severe consequences

ii) If you were aware that some of your classmates were cheating in exams and were not "getting caught", would you be more inclined to do so as well, feeling justified since others were doing it.

(A) YES

(B) NO

9) South African society:

The following questions all relate specifically to your views on living in South Africa

	Completely disagree	Disagree	Neutral	Agree	Completely Agree
I believe South Africa to be a country with strong value systems and ethical behaviour					
My ethical decision making is influenced as a result of this belief (my answer to the above)					
If so, it makes me inclined to feel					
the *need* to behave more ethically					
the *right* to behave less ethically					
I believe that ethical expectations, attitude and behaviour differs in South Africa in comparison to other jurisdictions					
I believe that there is a lot of unethical practices and behaviour in the South African business environment					
To act unethically feels somewhat justifiable, since I am aware that many in high standing business positions have done so					
I believe that professionals in South Africa who remain completely ethical in business will be at a disadvantage					
I believe that should I commit an unethical act in South Africa, in comparison to most other jurisdictions, there would be a much greater chance of no consequences					
Once in business, if I was certain that I could get away with it should I commit an unethical act, I would engage in such behaviour					
To act unethically feels somewhat justifiable, since I am aware that many in positions of public authority and power (eg. Government) have done so					
Knowing that many unethical or corrupt actions committed have had little or no consequences for the perpetrators, I feel more inclined and justified to engage in unethical behaviour					
Knowing that many unethical or corrupt actions committed have resulted in high returns, such as monetary rewards, status and success, I feel more inclined to engage in unethical behaviour					

10) Any further comments you wish to make in regard to the subject or any of the above