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RESEARCH REPORT

TRAINEE ACCOUNTANTS' PERCEPTIONS OF THE USEFULNESS OF THE BUSINESS ETHICS CURRICULUM: A CASE OF SAICA

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DECLARATION

I declare that this research is my own original work and that all sources have been accurately reported and acknowledged. The report is submitted for the degree of Master of Education at the University of the Witwatersrand, Johannesburg. This research has not been submitted for any degree or examination at this or any other university.

Kwena Nicholas Maseko Date: 11 June 2019

DEDICATION

This research report is dedicated to my mother, Mrs Francinah Morongwa Maseko. You never had the opportunity to obtain education, but gave everything for me to obtain one. Your joy when I did well at school made me so happy and inspired me to work harder. You truly created an environment for me to flourish.

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ABSTRACT

The main research objective of this study was to determine whether Chartered Accountancy (CA) trainees consider business ethics education they received to be useful, and to investigate if it was given the necessary attention at SAICA-accredited universities. The data obtained from CA trainees using a survey was analysed using four theoretical constructs, namely: a) Adequacy of coverage of ethics education, b) Importance of ethics, c) Impact of ethics education on ethical awareness and, d) Effectiveness of ethics education. Kolmogorov-Smirnov and Shapiro-Wilk tests of normality were applied to the theoretical constructs to determine if the data was normally distributed. The Mann-Whitney U test was used to determine if there were significant differences when opinions were categorized according to gender, study mode (part-time or full-time) and highest academic qualification. The Cronbach alpha coefficient was computed to test the reliability of participants' responses to the survey. The study has found strong agreement among CA trainees that business ethics education is receiving adequate attention at SAICA-accredited universities and is useful in both their professional and personal lives.

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CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION

South Africa is presently reeling from the ethically questionable conduct of KPMG audit firm whose forensic report on the so-called “rogue unit” within South African Revenue Service (SARS) laid the foundation for the removal of the then finance minister, Pravin Gordan (Joffe, 2017). This precipitated and amplified political turmoil, and caused significant economic damage to the country. The Rand depreciated, wiping about R86 billion off South African (SA) banks’ market capitalization (Laing, 2017). KPMG acknowledged later that its leadership had shown very poor judgement. Following the KPMG scandal, the South African accounting profession lost its previously awarded World Economic Forum (WEF) top ranking for the rigour of its audit and adherence to reporting standards (Laing, 2017). It is now ranked number 31. However, the losses associated with this KPMG episode pale in comparison with the almost R300 billion lost by investors consequent to the Steinhoff accounting scandals (Cairns, 2017). This has raised questions around the ethical conduct of Steinhoff’s auditor, Deloitte and Touche SA, which is presently being investigated by the Independent Regulatory Board for Auditors (IRBA).

The events mentioned above continue to inflict reputational damage on the accounting profession in SA, and have resulted in the loss of its once global prestige, as shown in the latest WEF rankings. The prime reason the accounting profession exists is because its reports were credible to those who relied upon them when making economic decisions. The international accounting conceptual framework states that the purpose of financial reporting is to provide investors, lenders and other creditors with information that will enable them to make decisions about providing resources to the entity (International Accounting Standards Board (IASB), 2016:2). Thus, auditors, most of whom use the Chartered Accountant (CA) designation, evaluate their clients’ financial statements to provide independent assurance regarding the fairness of their presentation (IAASB, 2017:82). However, the recent ethically questionable conduct of these two Big Four accounting firms (KPMG and Deloitte & Touche) questions the relevance of and/or the need for the privileged existence of the accounting profession.

While South Africa's accounting profession faces these fundamental ethical questions, globally there are also concerns arising from the apparent moral degradation of professional accountants. It was the demise of Arthur Anderson in 2001, a former big 5 audit firm, which amplified the emphasis on business ethics education in SA and across the globe. The audit failures at the heart of the Enron and Worldcom corporate scandals underscored a need for the integration of ethics into the accounting curriculum (Haas, 2005:66), reaffirming earlier concerns that business ethics education was receiving at best superficial academic coverage (Cohen & Pant, 1989; McNair & Milam, 1993; Loeb & Bedingfield, 1972).

1.2 THE SOUTH AFRICAN CHARTERED ACCOUNTANCY CURRICULUM

The South African Institute of Chartered Accountants (SAICA) offers universities two curriculum options regarding business ethics education. The first is to offer two half-semester modules of six weeks each and the second is a full 12-week semester course (SAICA, 2014:161-163). Thus, aspiring Chartered Accountants (CAs) are presented with three months' of ethics-focused education during their formal academic training. However, as SA continues to reel from the enormous scale of the so-called "state capture" phenomenon, and the alleged involvement of KPMG in aiding state capture, the ethical conduct of the accounting profession in SA is dancing in its own spotlight. Furthermore, it creates doubts regarding the effectiveness of ethics education offered by SAICA-accredited universities. The Cohen Commission (1978) reported that the ability of a learned profession to fulfil its responsibilities is inextricably linked to the strength of its educational base. The resurgence of ethical lapses of professional accountants may be indicative of deficiencies in aspects of accounting curriculums at the SAICA-accredited universities. This leads to the statement of the research problem to be addressed by this research study.

1.3 RESEARCH PROBLEM

The absence of ethics, or the limited inclusion of ethics within the accounting curriculum was one of the factors blamed for early twenty-first century audit failures. In SA, the South African Institute of Chartered Accountants' (SAICA) revised competency framework (approved in 2014) shows that SAICA considers ethics to be a significant component of professionalism (SAICA, 2014). In terms of this competency framework, ethics are examined at academic level 3, which is the advanced level: students are thus required to have thorough knowledge and rigorous comprehension of professional ethics (SAICA, 2014:87). The allocation of 12 weeks for ethics education is comparatively high compared to the pre-2014 average of between one and four hours allocated to ethics education (Loeb & Bedingfield, 1972:812; McNair & Milam, 1993:804). The concern is that even though significant time is now being given to ethics education, the ethical conduct of accounting professionals has again been found wanting.

1.4 RESEARCH OBJECTIVES

It was worth investigating whether the focus given to ethics education in the SAICA's 2014 competency framework is being executed by SAICA-accredited universities. It is possible that a gap exists between well-documented curriculum intentions and what is being delivered at the SAICA-accredited institutions of higher learning. In the context of the one-to-four hours of ethics education earlier studies discovered (see preceding paragraph), the **first objective** of this study was to determine the perceptions of CA trainees regarding the adequacy of ethics education they had received at the SAICA-accredited universities.

Another consideration is that ethics education at university level may not effectively modify a person's ethical sensitivity. The concerning dearth of ethical behaviour recently displayed by SA's top professional accountants raises questions about the value of formal ethics education. There is a school of thought that ethical values are determined (and set) in the early stages of one's life, and that any ethics program or formal academic intervention is an exercise in futility (McDonald & Donleavy,1995:843). The **second objective** of this study was therefore to obtain opinions of CA trainees as to whether their ethics education had enhanced their professional moral alertness.

However, mere moral vigilance does not suffice. The value of ethics education is in its ability to improve a person's moral judgment. SA is presently dealing with the economic consequences of bad decisions that were taken, among others, by some senior accounting professionals. Good ethical judgment, resolutely applied, would thus be the ultimate prize. Therefore, the **final research objective** was to obtain feedback from CA trainees regarding whether their ethics education had improved their ethical judgment.

This study therefore sought to obtain the perceptions of South African CA trainees on the following research questions:

1. Do CA trainees perceive ethics education at institutions of higher learning to be adequate?
2. Do CA trainees believe ethics education at universities improved their ethical sensitivity? and
3. Do CA trainees believe ethics education at institutions of higher learning improved their ethical judgment?

In summary: the main research objective of this study was to determine whether CA trainees consider the ethics education they received to be useful, and if it was given the necessary attention at SAICA-accredited universities.

1.5 RATIONALE OF THE STUDY

The Cohen Commission (1978) reported that many new accountants found that their education had not adequately prepared them for the responsibilities they faced after graduating. This is an acknowledgement of the responsibility and significance the accounting curriculum has, to help CAs avoid ethical misdemeanours, amongst many other professional matters. In SA currently, SAICA expects students to have an advanced knowledge of the accounting profession's Code of Professional Conduct. This means that upon entering the accounting profession, CAs in SA should already be equipped with knowledge of ethics sufficient to enable them to meet the expectations of their employers and clients. Obtaining the perceptions of CA trainees, who are undergoing practical (on-the-job) training after having completed their SAICA-accredited undergraduate and post-graduate qualifications, is one way of ascertaining the strength and pertinence of their ethics education.

1.6 SIGNIFICANCE OF THE STUDY

The fact that ethics are assessed at the highest undergraduate and immediate post-graduate levels at SAICA-accredited institutions of higher learning shows the significance attached to business ethics by the professional body. It would therefore benefit SAICA if it could obtain feedback on how CA trainees perceive the usefulness of their ethics education in helping them identify and evaluate ethical problems encountered in the workplace. Furthermore, such feedback may also persuade educators of the importance of their efforts to instil ethical values in the future professional accountants presently under their care and guidance. Where CA trainees' responses reveal gaps and shortcomings in their business ethics education, it would be incumbent upon both educators and SAICA to effect appropriate/necessary curriculum improvements. Such improvements, it is hoped, would culminate in professional accountants who are able to demonstrate their moral fibre such that public trust in the accounting profession is regained and enhanced.

The magnitude of the responsibility professional accountants carry with respect to the reliability of their audits makes exposure to ethics education mandatory. Business schools have long been expected to embrace ethics education and integrate it in their business courses (Cohen Commission, 1987:83). Recurring audit failures serve to intensify the call for effective inclusion of ethics education in the accounting curriculum (Haas, 2005:66). While this study may reveal that ethics is perceived by CA trainees to have been usefully and adequately covered by the SA universities, there may nevertheless be other contributing explanations for the present state of moral degradation in the accounting profession in SA. Instead of making ethics education at SA universities the scapegoat for the moral decline, more effort should be made by accounting professional bodies to investigate the full spectrum of factors (both extrinsic and intrinsic to the profession) that are contributing to this moral decline.

1.7 CONCLUSION

This chapter has highlighted the impact of ethical misconduct of professional accountants. The research problem around the curriculum intervention by SAICA to instil business ethics among its prospective candidates and the related research questions to be investigated were specified. The next chapter locates the research problem within the general curriculum discourse and issues specific to the accounting curriculum on business ethics within the SA context.

CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

This chapter commences with an examination of key theories on curriculum content. Their relevance is that they are central to the debates around whether business ethics should be included in the accounting curriculum. Thereafter, the present SA accounting curriculum (the subject of this research) is placed within the previously outlined theoretical context. This is followed by a review of some of the arguments advanced in support of the exclusion of business ethics content from the accounting curriculum. The literature review concludes with a review of recent research studies on whether institutions of higher learning are incorporating business virtues in their curricula, and a discussion of the impact this has on the professional standing of the auditing and accounting professions.

Curriculum debates have centred on what content should be included (Luke, Woods & Weir, 2013:9). There are two perspectives from which these debates are conducted, namely the socialist and the asocial perspectives (Moore, 2000:20). Asocial perspectives embrace logical positivism and progressivism, while socialist views include neo-conservatism, technical instrumentalism and post-modernism (Moore, 2000:19-20).

2.2 ASOCIAL CURRICULUM PERSPECTIVES

Positivism and progressivism are the two dominant philosophies driving asocial curriculum views. Positivism, claiming that empiricism should undergird knowledge (Moore, 2000:20), is premised on behaviourism, which gave rise to behavioural objectives and the objective style of assessment (Dearden,1981:37). Any knowledge not congruent with the parameters of science (i.e., theory and sense experience) was derided and ultimately trivialized. Consequently, pre-eminence in science became a source of (Western) national pride (Pinar, 2007:2). Positivism thus effectively disconnected society from knowledge in its efforts to remove any social distortions of 'pure' knowledge (Moore, 2000:20).

One of the distinguishing characteristics of positivism is its rejection of moral, social and political education (Dearden, 1981:37). In the United States (US), the events of 11 September 2001 prompted nostalgic introspection that brought with it the realization that a solely empirical curriculum is inadequate as it is unable to contribute meaningfully to matters such as social coherence (Pinar, 2007:21). Positivism's view of the child's mind as a *tabula rasa,* ready to absorb empirical knowledge, did not go unchallenged (Darling-Hammond, 1998:644): the challenge came from progressivism, another asocial view of the curriculum.

While positivism attempts to get society out of knowledge, progressivism wants to get society out of the child (Moore, 2000:20). Unlike the positivist conception of a child as a 'blank canvas', progressivism is premised on Piagetian cognitive-developmental psychological theory which perceives the child to be born with mental schemas (Kohlberg & Mayer, 1972:450). These mental schemas develop as the child interacts with the environment and therefore the goal of education should be to propel human beings to the highest stage of development through their interactions with suitably structured learning environments (Kohlberg & Mayer, 1972:454). Knowledge therefore derives from the equilibrium between the interactions of an inquisitive human participant and the education environment's problematic scenarios (Kohlberg & Mayer, 1972:455). The curriculum is thus student-centred, focusing on problem solving activities (Ornstein, 1990:107).

Moore (2000) points out that positivism ceased to have a major influence in epistemology and the philosophy of science in the 1930s. Both progressivism and positivism are deemed inadequate because knowledge is now better understood to be inherently social (Moore, 2000:9). For instance, scientific procedures have historical evolution which gives them a social dimension. Knowledge is thus an embodiment of history and experience (Young, 2007:8), while the view of knowledge as inherently social aligns with socialist curriculum perspectives, namely: neo-conservatism, technical-instrumentalism, and post-modernism.

2.3 SOCIAL CURRICULUM VIEWS

Neo-conservatism regards the curriculum as a given body of knowledge, and that it is the responsibility of the school to transmit this (Young, 2007:19). The school is therefore deemed effective when it can maintain tight control over curriculum, teaching and students (Apple, 2004:17). The result is a curriculum that fosters discipline and proper respect for authority (Young, 2007:20). The implication of this view is that the subjects offered in the neo-conservative curriculum should encourage loyalty to society's cultural heritage. When there is a decline in educational success and morality, conservatives are swift to attribute such decline to departures from 'canonical texts'. Neo-conservatism is criticised for its ignorance of epistemological concerns and the dynamism of society (Moore & Young, 2001:447). To ensure proper alignment between the changing needs of society and the curriculum, the technical-instrumentalism curriculum perspective was conceived.

Technical-instrumentalism holds that the curriculum should serve the economic needs of society and ensure the future employability of the students (Moore & Young, 2001:450). However, as the economy is dynamic, this view requires the curriculum to adapt to the changes in the economy. A curriculum is then a means to ensure learners are prepared for the globalised and knowledge-based economy and is not an educational end in itself (Young, 2007:20). A counter-argument against instrumentalism is that no research evidence yet corroborates causality between curriculum and economic indicators, as some countries continue to have good education systems despite plummeting economic indicators – such as Zimbabwe (Moore, 2000:11). This view also renders the curriculum vulnerable to the whims of politicians who may use it as a scapegoat to cover their mismanagement of the economy. When politicians assume curriculum control, de-professionalization of teachers occurs (Luke, et al. 2013:4).

The concern regarding the potential of technical-instrumentalism to vest curriculum control in the hands of those wielding political and economic power has been voiced by post-modernists. Post-modernists consider themselves advocates for the marginalized in society and view the curriculum as a tool of liberation for the oppressed (Moore, 2000:20). The struggle for recognitive and redistributive justice requires the curriculum to be inclusive (Frazer, 1997, as cited in Luke, et al. 2013:4). Recognitive justice is achieved through the recognition of the knowledge and cultural heritage of the oppressed in the curriculum, while redistributive justice advocates for a curriculum that would help the disenfranchised gain access to material wealth and opportunities to participate in mainstream economic and civic life (Luke, et al. 2013:4). Postmodernism is obsessed with the deconstruction of elitist curriculums and thus lays itself open to criticism for not proposing realistic alternative curriculum options, and for viewing other curriculums as devoid of even an element of truth (Moore & Young, 2001:7).

This polarization of curriculum views gave rise to social realism, which reconciles aspects of asocial curriculums with social curriculum notions. Social realism views knowledge as intrinsically social because the construction of truth always involves a dialogue with others (Moore & Young, 2001:458). This position counters the asocial views of positivism and progressivism. With social realism, the social character of knowledge is considered indispensable to its objectivity (Moore & Young, 2001:450). This is because the social construction of knowledge occurs within specific collective codes and values (Moore & Young, 2001:458). The codes and values become standards by which knowledge's objectivity can be assured. Respect for social codes and values in the construction of knowledge should thus accord with neo-conservatism, while simultaneously countering technical-instrumentalism's preference for meddling or "making adjustments". Regarding the increasingly recognised presence of inequality (which post-modernists struggle against), Moore and Young (2001:458) propose a widening of internal or cognitive interests' participation, rather than external interests, because external interests ignore the subject of knowledge. As this research project is about the accounting curriculum in South Africa, it is appropriate to reflect on where accounting is located within the curriculum discourse.

2.4 SA CHARTERED ACCOUNTANCY CURRICULUM

In SA, the accounting curriculum is determined by the SAICA. All universities offering undergraduate and post-graduate qualifications for students aspiring to become CAs must ensure their programmes are SAICA-accredited. The SA accounting curriculum journey reflects the curriculum debates discussed above. Prior to 2010, the SA accounting curriculum was theory-based, exhibiting a neo-conservatism curriculum stance (SAICA, 2014:4). It now follows a competency-based model which identifies and describes knowledge, skills and attributes that a CA should be able to demonstrate when they enter the profession (SAICA, 2014:4). A competency-based model retains a neo-conservative status by maintaining theory as its centrepiece, but adopts a technical instrumentalist dimension by incorporating skills and attributes that students should be able to demonstrate when they join the working fraternity.

The SAICA competency framework is not only applicable to education programmes at the universities. It extends to the period during which students undergo practical training (usually for three years). It derives its philosophy from the American pragmatist philosopher, John Dewey. Dewey's view is that there is an intimate and necessary relationship between education and actual experiences (Ansbacher, 1998:38). SAICA believes that knowledge is easier and more interesting to learn if it links with student's personal experiences and/or current issues (SAICA, 2014:12). The aim is to produce a responsible leader that SAICA describes as someone who is able to integrate technical knowledge with pervasive qualities and skills, the latter including a "good moral ethos" (SAICA, 2014:9).

In the light of the many recent corporate scandals implicating professional accountants, the expectation was that business ethics education would be more enthusiastically adopted and would enjoy more prominence in the accounting curriculum. In the SA context, the strong emphasis on ethics in the SAICA curriculum means that ethics education at universities receives significant attention. The question is whether higher learning institutions are the appropriate channels (have the appropriate skills and intentions) for laying a good ethical foundation for future professional accountants. Against this background, Bernardi (2004:145) observes that ethics are a secondary interest for academics in both teaching and research. A study by Hoffman and Moore (1982:81) found that only 317 out of a total of 1200 colleges and universities confirmed they offered a social responsibility and/or business ethics course. Several arguments have been made as to why educational institutions should not be relied upon to provide business ethics education. These are discussed below.

One of the reasons why business ethics are not taught is that they are construed to be non-empirical and non-scientific (Hosmer, 1985:21). As the accounting curriculum is orientated towards technical instrumentalism, the outcome is students who are equipped to make business decisions. It is argued that business decisions are taken based on objective data and therefore the subjectivity of ethical decisions warrants their exclusion from the accounting curriculum (Hosmer, 1985:21). However, this positivist position has been countered by McDonald and Donleavy (1995:843) who argue that ethical decision-making is "a perfect exposition of normative philosophy" and therefore business ethics represents an area of applied ethics. Furthermore, social realism perceives the objectivity of knowledge to derive from its social character and not its intrinsic nature (Moore & Young, 2001:450). Therefore, the argument for the exclusion of business ethics in the accounting curriculum based on its lack of empiricism is not sound because it ignores the social codes which confer objectivity to knowledge.

Another argument is premised on the concept of "Pareto Optimality" in economics, which means that the business entity exists to optimise its profit and purely this objective should drive all the decision-making processes (Hosmer, 1985:20).The recent Steinhoff scandal, where investors lost about R300bn, shows the extent to which business value can be destroyed when business ethics are ignored. Even Milton Friedman, a long-time advocate of profit maximisation, recognised the Pareto optimality principle when he stated: "Employees should serve [the] profit maximisation motive while respecting law and basic rules of society" (Friedman, 1970:13). It appears that any enterprise that wants to achieve sustainable financial success cannot afford to treat managerial and moral competencies as mutually exclusive, but must recognise that they are interwoven factors that undergird long term business success. Therefore, a call by Powers and Vogel (1980:44) for the business curriculums to integrate the managerial and moral aspects is still right on the mark.

It is also argued that ethical values are determined early in life and any form of ethics-related intervention is unlikely to affect moral change (Mcdonald & Donleavy, 1995:844). This argument presupposes the permanence of early childhood-acquired moral thinking/family-of-origin ethical frameworks. It has been opposed on two grounds: **Firstly**, the goal of ethics education should be to provide a variety of approaches to ethical reasoning, which would allow students to make moral decisions on their own without the aid of the teacher (Rosen & Caplan, 1980:21). Ethics education is therefore not meant to indoctrinate students, but rather to provide them with tools of moral reasoning. **Secondly**, as Jean Piaget and Lawrence Kohlberg observe, a person's value system is not static, but modifiable (Mcdonald & Donleavy, 1995:844). Therefore, it can be expected that once students are capacitated with viable approaches to ethical reasoning, their moral behaviour can be influenced.

The preceding discussion shows that arguments against ethics education have been robustly countered by ethics education proponents. Based on the substance of the arguments in support of ethics education above, and the reputational crisis currently faced by the accounting profession globally and locally, it can be comfortably concluded that there is a place for business ethics education. Some research studies have shown the positive effects of such ethics interventions at institutions of higher learning and these will now be expounded on.

A study by Koumbiadis and Pandit (2014) found that graduates who participated in ethics courses scored higher in ethical perceptions than those that did not. Ethics education was also found to contribute positively to the moral development of students (Flynn & Buchan, 2016:122-123). These findings further challenge the argument that moral values are irreversibly set early in life. The ability of ethics education to improve the moral development of students is linked to improved ethical sensitivity of students when faced with moral dilemmas (Taylor, 2013; Shawver & Miller, 2017).

It is important to note that ethical sensitivity is not synonymous with ethical judgement. It means that a person appreciates the moral intensity of the ethical situation. The next question is whether such ethical sensitivity can lead to good ethical judgment. Herron and Gilbertson (2004) have found that a positive correlation exists between moral reasoning and ethical judgement. The implication of this finding is that ethics education contributes to ethical sensitivity which may translate into good ethical judgement. Therefore, SAICA's inclusion of ethics education in the accounting curriculum appears to be rational and appropriate.

It is evident from the academic literature that it is how an ethics course is structured that affects its contribution to the student's ethical sensitivity or ethical judgements. Business ethics education can be offered as a separate course or as integral to other courses (SAICA, 2014:161). There have in fact been many calls for ethics courses to be offered in an integrated format (Sadler & Barac, 2005; Tweedie, Dyball, Hazelton & Wright, 2013). A research study by Martinov-Bennie and Mladenovic (2015) found that an integrated ethics course increases the ethical sensitivity of students while an ethics course based on the ethics framework increases the effectiveness of their ethical judgement. It therefore is not sufficient to merely require an ethics component to an education programme because its outcome may be affected by how the course is structured.

Most research studies have been carried out with students as respondents. However, similar studies have been undertaken with Certified Public Accountants (CPAs) (the United States' (US) version of CAs), as research subjects. Eynon, Hill and Stevens (1997) found that completion of an ethics course in college (undergraduate university level) was found to have a positive impact on the moral reasoning abilities of CPAs. This finding was corroborated in a study by Ward, Ward and Deck (1993:609) which found that CPAs who had completed an ethics course in college could easily distinguish between ethical and unethical behaviour. In both studies (Eynon *et al.*, 1997, and Ward *et al.*, 1993), CPAs supported the inclusion of business ethics education in college curriculums.

While positive effects have been realized from the inclusion of business ethics education at institutions of higher learning, as shown above, such interventions have not been without criticism and challenges. Most of the Heads of Departments (HODs) of Accounting Departments at SAICA-accredited SA universities believe business ethics are best learned in industry (Barac & Du Plessis, 2014:72). One ground for HODs' preference that ethics education be left to the industry was the variety of presentation methods available for ethics courses. Rossouw (2007) echoed their frustration, finding that there were discrepancies between SAICA's objectives and the outcomes for ethics syllabuses. There are also studies which have found that ethics education does not increase the incidence of ethical reasoning, nor does it prove helpful in resolving personal ethical dilemmas (Ponemon, 1993; Jones & Hiltebeitel, 1995; Padia & Maroun, 2012).

There are other aspects of ethics that are deemed peripheral or irrelevant to business ethics courses and research, and have thus been excluded from the syllabus. Philosophical and religious ethics education, if added to the ethics course, are nevertheless aspects that can enhance internalized morality (Kretzschmar & Bentley, 2013:8). Furthermore, Armstrong, Ketz and Owsen (2003) have found, from their literature review, that the ethical principle of virtue has been ignored in research on ethics education in the accounting curricula. While there are elements that can complement the existing courses and research on business ethics, HODs have highlighted a lack of qualified staff and research opportunities as constraints to their inclusion (Dellaportas, Kanapathippillai, Khan & Leung, 2014:378).

On the adequacy of ethics education coverage, an early study found that between one and three hours were spent on ethics in the surveyed accounting faculties (Loeb & Bedingfield, 1972:812). Another study, which had accounting professors in the accounting faculties as respondents, found that three to four hours were allocated to cover ethics (McNair & Milam, 1993:804). The limited time given to ethics education was, *inter alia*, blamed on a lack of time and appropriate materials (McNair & Milam, 1993:804) as well as lack of reward systems (academic and financial) to justify extending ethics education curriculums (Cohen & Pant, 1989; McNair & Milam, 1993).

Despite the shortcomings encountered in trying to make business ethics education a part of the accounting curriculum, there is general acceptance that it is needed at institutions of higher learning (Satava, Caldwell & Richards, 2006; Jackling, Cooper, Leung & Dellaportas, 2007; Eynon, et al. 1997). The many research studies conducted on business ethics education in the accounting curriculum have been focused on whether they have impact on students' and accounting practitioners' ethical sensitivity and abilities to effect ethical judgment. Where views have been solicited on the adequacy of ethics education coverage, academics were respondents.

This research therefore addresses a gap in the literature by obtaining feedback from the graduates who are still in training to become CAs. Given that they are fresh from school and have just entered the industry, their relative innocence/naivety can be helpful when providing their perceptions regarding the adequacy of the ethics education they have received at institutions of higher learning. They can also provide valuable feedback on whether business ethics education has improved their ethical awareness and enhanced their professional judgment skills. This feedback is fundamental to helping higher learning institutions assess their business ethics education efforts and to effect improvements where necessary.

2.5 CONCLUSION

This literature review chapter has addressed various curriculum schools of thought and debates on the appropriateness of each. The chapter highlighted objections to teaching business ethics at the institutions of higher learning and how they (objections) were contradicted. Gaps within the literature and how the current research project would address some of the gaps were specified. The next chapter provides detailed account of the research methodology adopted in this study.

CHAPTER 3
RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In determining an appropriate research methodology for this study, the purpose and objectives of this research were important considerations. There are three research questions that this research project sought to answer, namely: a) Is business ethics education offered at SAICA-accredited institutions of higher learning perceived to be adequate by CA trainees in SA; b) Do CA trainees in SA believe business ethics education at SAICA-accredited universities has improved their ethical sensitivity; and c) Do CA trainees in SA believe that business ethics education at SAICA-accredited universities has improved their ethical judgment?

3.2 RESEARCH PHILOSOPHY

The view of a researcher about the nature and production of knowledge informs the conceptualization and operationalization of a research project (Yazan, 2015:136). The epistemological orientation of this study is constructivism. Constructivism construes reality to be a construct of individuals' interactions with the social world (Merriam, 1998:6). The respondents in this research project underwent ethics education at SAICA-accredited universities and had formed their own views about its worth. It is their opinions on ethics education this research has solicited, and there was no positivist intention to establish a set of facts. The ultimate pursuit of investigations of this nature is to derive meaning through the interpretation of the views of others through the lens of the researcher's own views (Merriam, 1998, as citied in Yazan, 2015:137).

3.3 TYPE OF RESEARCH

A descriptive survey design was used in this study. This involves identification of attributes of a phenomenon in its current state (Williams, 2007:66). The intention was to describe the perceptions presently held by CA trainees about the ethics education they had received at institutions of higher learning. There was no objective to determine causality, make predictions or to seek explanations.

3.4 POPULATION AND SAMPLE

The population comprised CA trainees in SA who were at least in their second year of their post graduate training contracts. A purposive sample of 150 CA trainees was selected for this study. The purposive sampling method may assume a variety of different forms. For the purposes of this study, criterion sampling was employed. Criterion sampling involves “searching for cases or individuals who meet a certain criterion” (Palys, 2008:697). In this study, the sample of 150 CA trainees was selected from those who had completed a SAICA-accredited BCom Accounting degree and were at least in their second year of articles/on-the-job training. This sample size was deemed appropriate given the researcher’s financial budget and time constraints.

As indicated in the literature review, most research studies on ethics education in the accounting curriculum have focused on the students, educators and members of the professional bodies: this study’s use of CA trainees as respondents is thus consistent with previous research samples. The decision to select CA trainees, who were at least in their second year of post-university training was informed by the fact that they would have had a year to apply their university education in the real world. This would thus allow them to complete the survey from an informed perspective.

3.5 RESEARCH INSTRUMENT

Data was collected by means of a structured questionnaire. There were two sections to the questionnaire. The first section was used to generate the demographic profile of the respondents. The second part included questions which solicited CA trainees’ perceptions about ethics education obtained from their university accounting curriculums and afforded them the opportunity to make recommendations. The respondents used a Likert scale ranging from 1 (strong disagreement) to 7 (strong agreement) to indicate their degree of agreement with statements based on various aspects of ethics education. The questions were linked to the research questions the study intended to answer. When drafting the questionnaire, inputs were sought from an independent statistician and from research experts to ensure the clarity and relevance of the questions. The survey has been included as Appendix A.

3.6 CONSTRUCTION OF SURVEY QUESTIONS

Respondents had to respond to 13 questions using a 7-point Likert scale: the questions fell into four broad categories. There were 5 questions which focused on the adequacy of the content of ethics coverage in the accounting curriculum. Kelly (2004, as cited in Luke, et al. 2013:7) defines the curriculum as that which is taught and learned. The curriculum's modes of transmission, instruction and assessment therefore have an impact on learners' perceptions of the value of ethics education. The conduct of the lecturer, whether it is perceived to be ethical or not, also shapes how learners receive ethics education. Should the lecturer's conduct be perceived to be unethical, this can contradict and distort the intended message. These considerations led to 5 survey questions which addressed three factors, namely: a) pedagogy, b) assessment, and c) role modelling by lecturers. The 5 questions were intended to answer this research question: Is business ethics education offered at SAICA-accredited institutions of higher learning perceived to be adequate by CA trainees in SA?

There were 4 questions which required respondents to indicate whether their experience of ethics education had been translated into good ethical judgement both in the work environment and their personal lives. Thus, if ethics education only resulted in 'head knowledge', with no practical benefit for prospective accounting professionals, its value would be questionable at best. The published academic literature revealed that ethics education has a positive impact on ethical judgment (see Herron & Gilbertson, 2004; Martinov-Bennie & Mladenovic, 2015). Feedback on these 4 questions was expected to add to the existing literature and to answer this research question: Do CA trainees in SA believe that business ethics education at SAICA-accredited universities has improved their ethical judgment?

On the research question of whether ethics education is perceived to impact the ethical sensitivity of CA trainees, 2 questions were constructed to address this issue, and should add to the existing body of academic work on the impact of ethics education on the students' ethical sensitivity (see Koumbiadis & Pandit, 2014; Flynn & Buchan, 2016; Taylor, 2013).

The last 2 questions were on whether CA trainees deemed the academic subject of ethics and the SAICA's ethical code to be important. While these questions did not address the three research objectives of this study directly, it was necessary to establish whether ethics is a concept of interest and importance to CA trainees. With so much focus and attention given to ethics education by universities and professional bodies, feedback on whether ethics is considered relevant by and to CA trainees may prove valuable to the institutions. For the purposes of this study, it was deemed informative to determine the degree of correlation between the status CA trainees accord to ethics, and the balance of their responses to the survey's questions.

At the end of the survey, respondents were given the opportunity to provide recommendations that would improve business ethics education in the accounting curriculum. Closed-ended questions restrict study participants to a set of options, while open-ended ones permit expression of views without the influence of the researcher (Foddy, 1993:127). Recommendations can also enhance the validity of the results of the study as it allows the researcher to verify them against the results of closed-ended questions. Their input may also prove valuable to institutions of higher learning and SAICA on what needs to be done to effect curriculum improvements – if necessary.

3.7 DATA COLLECTION METHOD, PROCEDURE AND TIMEFRAME

Surveymonkey (www.surveymonkey.com) was used to design, collect and administer the survey online. The rationale for using an internet survey tool was to facilitate administration and eliminate postal costs associated with mail delivered surveys. The online survey allowed this research study to reach respondents across the entire country and mitigated against geographical (and postal delivery) limitations. Furthermore, the targeted respondents were sophisticated and had almost perpetual access to computer and internet facilities. Thus, the convenience offered by the internet-based survey led to a better-than-average response rate. The online survey was designed by an independent statistician who collected and processed the data.

The survey was distributed during April 2018 and responses were accepted until the end of May 2018. Thereafter the data was subjected to statistical analysis. An email was sent to the selected participants outlining the objective of the study and inviting them to participate. The email stressed, amongst other issues, that participation was entirely voluntary. The data collected will be retained for a period of 5 years, after which it will be discarded.

3.8 ETHICAL CONSIDERATIONS

Merriam (2009) provides a detailed list of ethical concerns facing researchers using surveys as their data sources, which includes, *inter alia*, the risk assessment, significance of the proposed research, assurance of confidentiality, request for their informed consent, and data access/security and ownership. The intended questionnaire recipients were sent an email in which the purpose of the research was explained. They were not required to furnish their personal details and were assured of ongoing confidentiality of the information they were requested to provide. They were also informed that the data collected from the responses to the research questionnaire would be kept securely and only used for academic purposes. Before they could proceed with the online survey, respondents were required to grant consent for the researcher to use their responses in this research.

3.9 DATA ANALYSIS

Data analysis was carried out by an independent statistician. The data was analysed using four theoretical constructs, namely: a) Adequacy of coverage of ethics education, b) Importance of ethics, c) Impact of ethics education on ethical awareness and, d) Effectiveness of ethics education. Kolmogorov-Smirnov and Shapiro-Wilk tests of normality were applied to the theoretical constructs to determine if the data was normally distributed. The Mann-Whitney U test was used to determine if there were significant differences when opinions were categorized according to gender, study mode (part-time or full-time) and highest academic qualification. The Cronbach alpha coefficient was computed to test the reliability of participants' responses to the survey. The results were analysed using the IBM Statistical Package for Social Sciences (SPSS).

3.10 LIMITATIONS OF THE STUDY

The major limitation of the study is that the sampling method used was not random. Making use of a random sampling method would have required significantly more resources of time and funding than were available and is therefore recognised as a constraint in the research project. The use of random sampling to determine participants in a research project, when drawn from a large population, enables conclusions to be extrapolated to the entire population (Creswell, 2003).

3.11 ASSUMPTIONS

It was assumed that the respondents would answer questions honestly. To encourage honesty, (or at least to ensure that respondents were aware of the need for honesty) a request was made on the first page/screen of the survey appealing to study participants to be honest, and pointing out that a lack of it would adversely affect the integrity of the study. The first page/screen also contained guidance on how the survey should be completed, and respondents were again informed that participation in the study was not compulsory.

3.12 CONCLUSION

This chapter has provided the detailed account of the research philosophy and methodology used in this research project. The ethical considerations, approach to the development of questions for the survey, data collection procedures and assumptions were furnished. The next chapter provides the detailed analysis of data collected in response to the research questions.

CHAPTER 4

RESULTS AND DATA INTEPRETATION

4.1 INTRODUCTION

The objective of this research project was to answer the following research questions:

1. Do CA trainees perceive ethics education at institutions of higher learning to be adequate?
2. Do CA trainees believe ethics education at universities improved their ethical sensitivity?
3. Do CA trainees believe ethics education at institutions of higher learning improved their ethical judgment?

In this chapter, the demographic characteristics of the respondents is presented first. Then the overall research results are presented. The chapter concludes with an analysis and interpretation of the research results for each of the research question mentioned above.

4.2 RESPONSE RATE

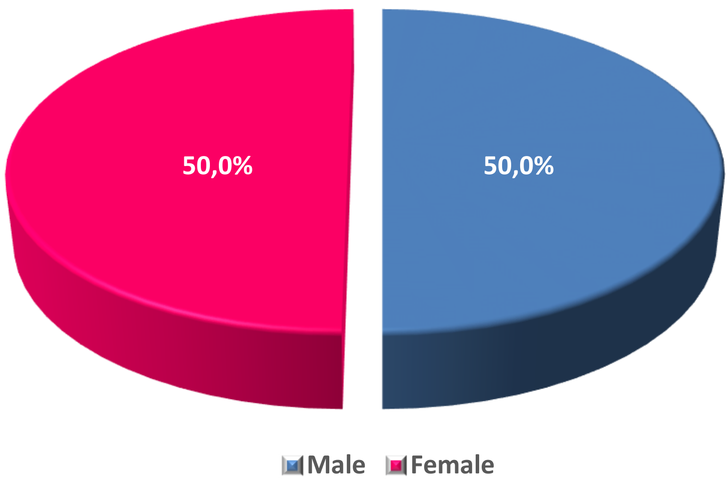
A purposive sample of 150 CA trainees was selected for this study. These CA trainees were at least in their second year of training and had participated in the same SAICA-accredited curriculum on ethics education. Of the 150 online questionnaires sent to the research subjects, 101 CA trainees responded. A response rate of 67% was thus achieved, and this was considered acceptable for further statistical analysis.

4.3 BIOGRAPHICAL VARIABLES OF THE RESPONDENTS

Table 1 shows the gender profile of the research participants.

Table 1: Gender profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	49.5	50.0	50.0
	Female	50	49.5	50.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		



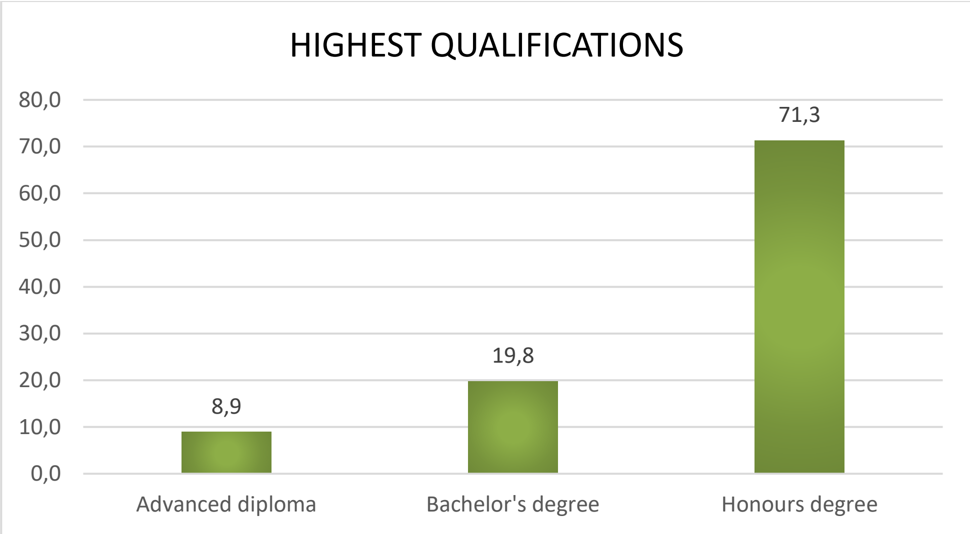
One respondent did not indicate gender. Of the remaining 100 participants, male and female gender groups were equally represented.

4.3.1 Highest qualification

Table 2 shows the education profile of the respondents

Table 2: Highest qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
	Advanced diploma	9	8.9	8.9	16.8
	Bachelor's degree	20	19.8	19.8	28.7
	Honours degree	72	71.3	71.3	100.0
	Total	101	100.0	100.0	



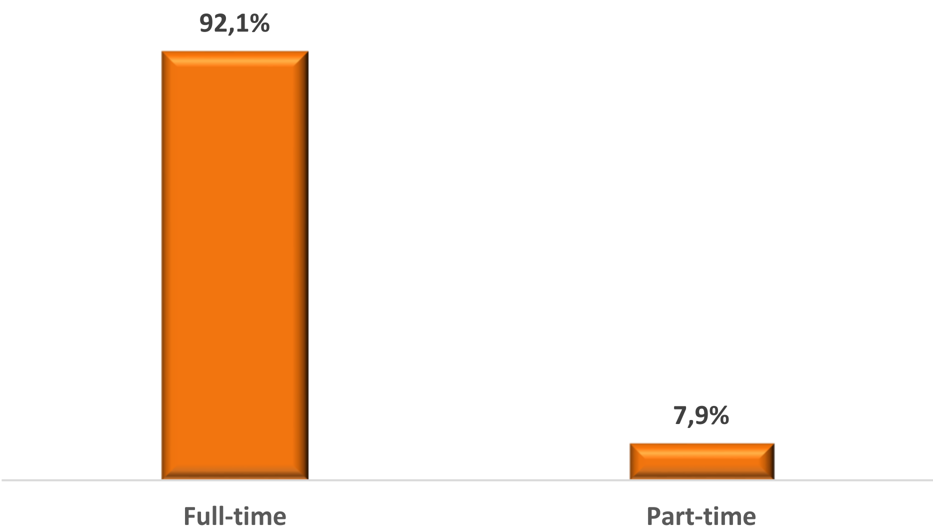
Honour's degree (71.3%, n=72) is the highest qualification of over two thirds of the respondents.

4.3.2 Study mode

Table 3 shows the respondents' study mode.

Table 3: Study mode for undergraduate qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	93	92.1	92.1	92.1
	Part-time	8	7.9	7.9	100.0
	Total	101	100.0	100.0	

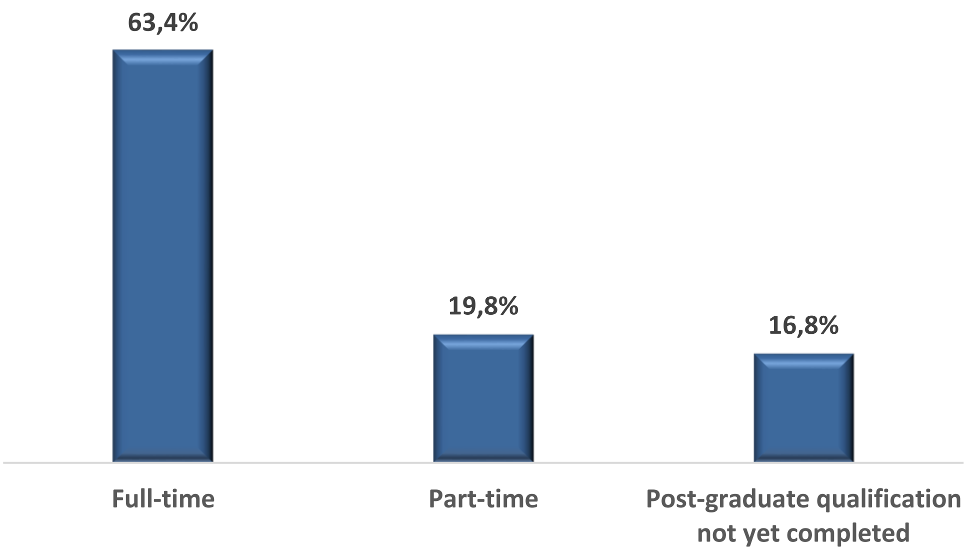


Over 90% (92.1%, n=93) of the respondents completed their under-graduate qualifications as full-time students.

Table 4 shows the study mode for the post-graduate qualification.

Table 4: Study mode for post-graduate qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full-time	64	63.4	63.4	63.4
	Part-time	20	19.8	19.8	83.2
	Post-graduate qualification not yet completed	17	16.8	16.8	100.0
	Total	101	100.0	100.0	



Almost two thirds (63.4%, n=64) of the respondents studied full-time to complete their post-graduate qualifications. It was not possible to determine whether those who had not yet completed their post-graduate studies were studying full-time or part-time.

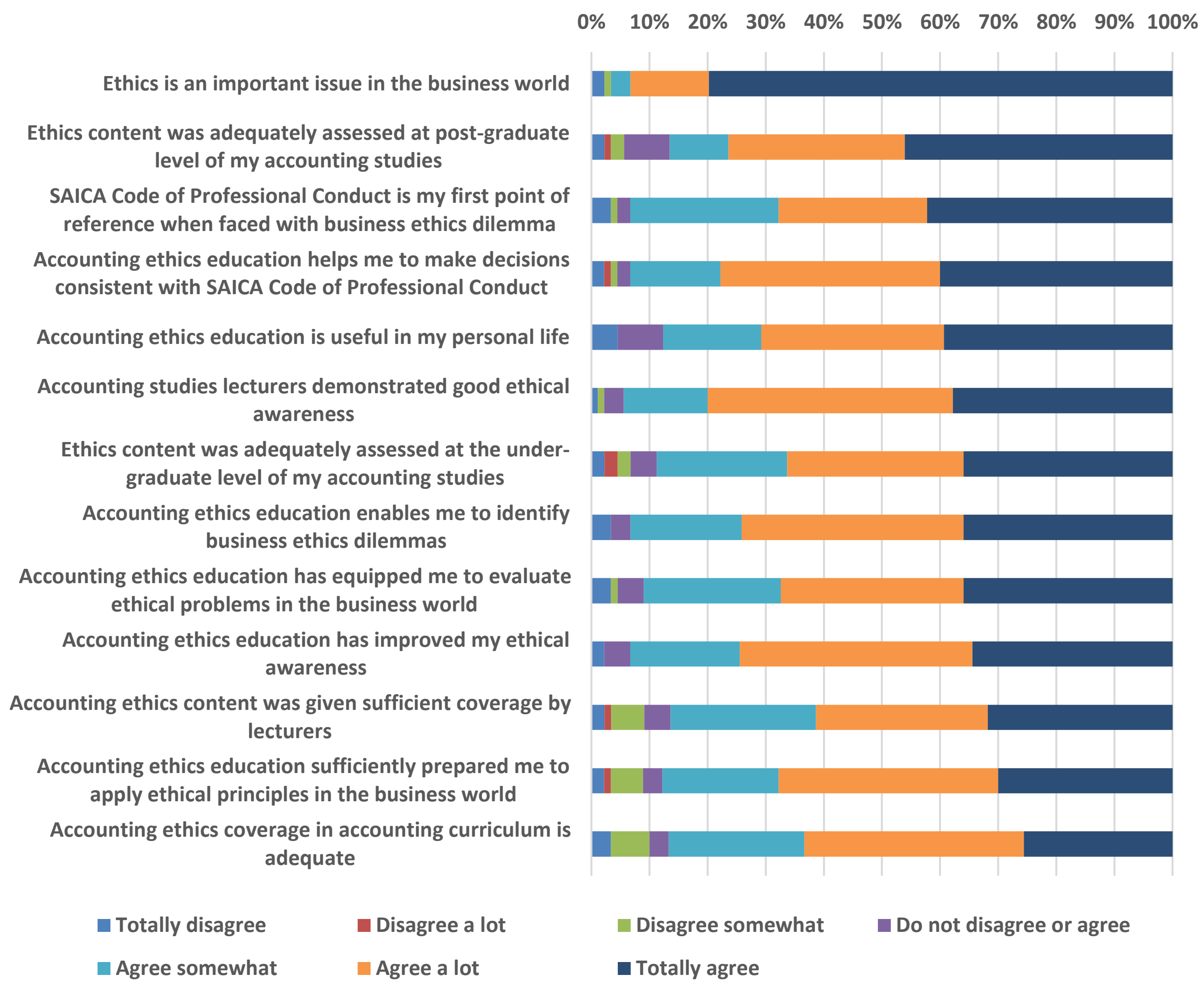
4.4 Overall results

Table 5 presents the respondents' answers by category.

Table 5: Response variables by category

	Totally disagree	Disagree a lot	Disagree somewhat	Do not disagree or agree	Agree somewhat	Agree a lot	Totally agree	Total Mean
Ethics is an important issue in the business world	2	0	1	0	3	12	71	89
	2.2%	0.0%	1.1%	0.0%	3.4%	13.5%	79.8%	6.62
Accounting ethics education has improved my ethical awareness	2	0	0	4	17	36	31	90
	2.2%	0.0%	0.0%	4.4%	18.9%	40.0%	34.4%	5.96
Accounting studies lecturers demonstrated good ethical awareness	1	0	1	3	13	38	34	90
	1.1%	0.0%	1.1%	3.3%	14.4%	42.2%	37.8%	6.08
SAICA Code of Professional Conduct is my first point of reference when faced with business ethics dilemma	3	0	1	2	23	23	38	90
	3.3%	0.0%	1.1%	2.2%	25.6%	25.6%	42.2%	5.92
Ethics content was adequately assessed at the under-graduate level of my accounting studies	2	2	2	4	20	27	32	89
	2.2%	2.2%	2.2%	4.5%	22.5%	30.3%	36.0%	5.78
Ethics content was adequately assessed at post-graduate level of my accounting studies	2	1	2	7	9	27	41	89
	2.2%	1.1%	2.2%	7.9%	10.1%	30.3%	46.1%	5.98
Accounting ethics education sufficiently prepared me to apply ethical principles in the business world	2	1	5	3	18	34	27	90
	2.2%	1.1%	5.6%	3.3%	20.0%	37.8%	30.0%	5.71
Accounting ethics content was given sufficient coverage by lecturers	2	1	5	4	22	26	28	88
	2.3%	1.1%	5.7%	4.5%	25.0%	29.5%	31.8%	5.65

	Totally disagree	Disagree a lot	Disagree somewhat	Do not disagree or agree	Agree somewhat	Agree a lot	Totally agree	Total Mean
Accounting ethics education helps me to make decisions consistent with SAICA Code of Professional Conduct	2	1	1	2	14	34	36	90
	2.2%	1.1%	1.1%	2.2%	15.6%	37.8%	40.0%	6.01
Accounting ethics education enables me to identify business ethics dilemmas	3	0	0	3	17	34	32	89
	3.4%	0.0%	0.0%	3.4%	19.1%	38.2%	36.0%	5.93
Accounting ethics education has equipped me to evaluate ethical problems in the business world	3	0	1	4	21	28	32	89
	3.4%	0.0%	1.1%	4.5%	23.6%	31.5%	36.0%	5.83
Accounting ethics coverage in accounting curriculum is adequate	3	0	6	3	21	34	23	90
	3.3%	0.0%	6.7%	3.3%	23.3%	37.8%	25.6%	5.59
Accounting ethics education is useful in my personal life	4	0	0	7	15	28	35	89
	4.5%	0.0%	0.0%	7.9%	16.9%	31.5%	39.3%	5.84



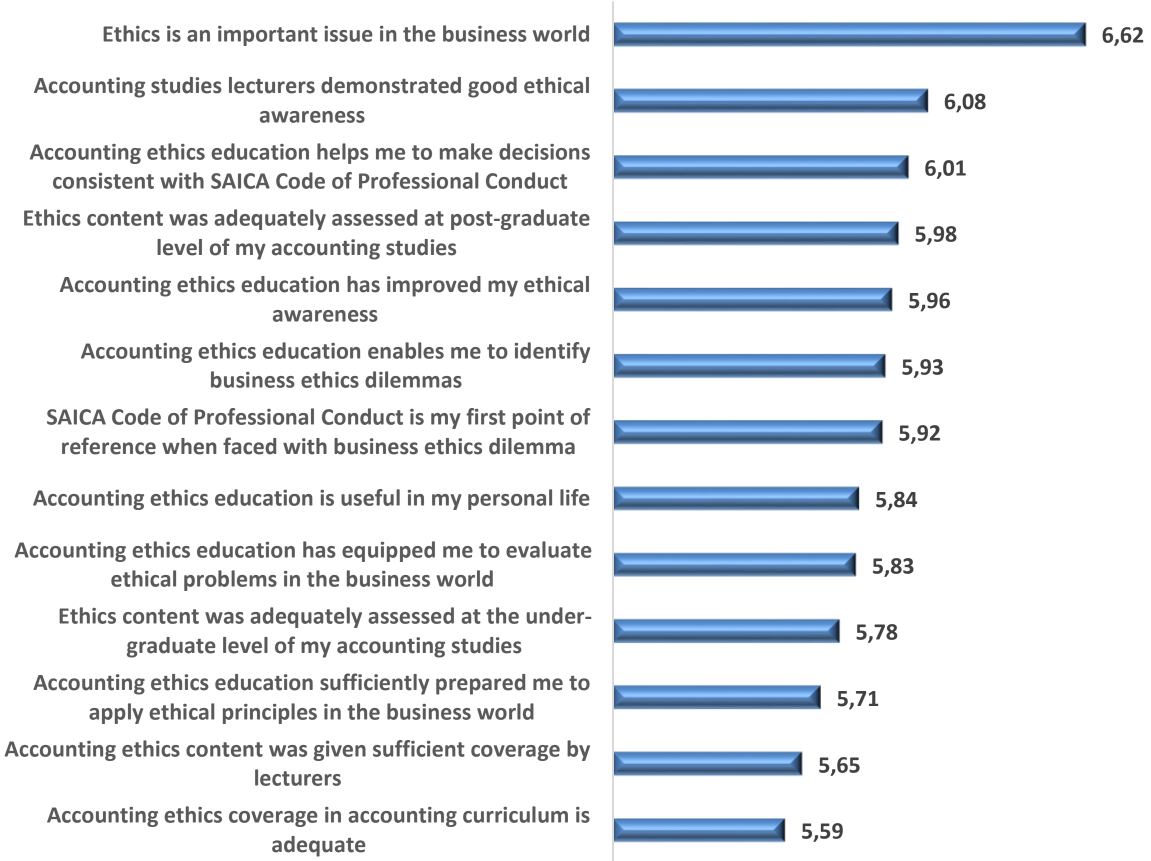
As evident in Table 5 above, the respondents demonstrate a stronger tendency to agree with the statements than to disagree with them. Most respondents selected "agree" to "totally agree" in the likert scale for each question. This may represent similarity of experiences among respondents on business ethics education at SAICA-accredited institutions of higher learning.

Table 6 show variables treated as scalar measurements

Table 6: Variables as a scale in measurement

	Mean	N	Std. Deviation
Ethics is an important issue in the business world	6.62	89	1.061
Accounting ethics education has improved my ethical awareness	5.96	90	1.131
Accounting studies lecturers demonstrated good ethical awareness	6.08	90	1.019

	Mean	N	Std. Deviation
SAICA Code of Professional Conduct is my first point of reference when faced with business ethics dilemma	5.92	90	1.309
Ethics content was adequately assessed at the under-graduate level of my accounting studies	5.78	89	1.363
Ethics content was adequately assessed at post-graduate level of my accounting studies	5.98	89	1.357
Accounting ethics education sufficiently prepared me to apply ethical principles in the business world	5.71	90	1.343
Accounting ethics content was given sufficient coverage by lecturers	5.65	88	1.382
Accounting ethics education helps me to make decisions consistent with SAICA Code of Professional Conduct	6.01	90	1.222
Accounting ethics education enables me to identify business ethics dilemmas	5.93	89	1.241
Accounting ethics education has equipped me to evaluate ethical problems in the business world	5.83	89	1.308
Accounting ethics coverage in accounting curriculum is adequate	5.59	90	1.381
Accounting ethics education is useful in my personal life	5.84	89	1.413



As can be seen from the graph above, on average, the respondents tended to agree strongly that ethics is an important issue in the business world. "Accounting studies lecturers demonstrated good ethical awareness" and "Accounting ethics education helps me to make decisions consistent with SAICA Code of Professional Conduct" were also statements that the respondents tended to agree with, on average.

4.5 RELIABILITY

The survey questions were presented to the respondents who were requested to rate their responses on a scale of 1 to 7; these responses were grouped based on theoretical grounds to form the latent constructs listed in Table 7 below. Table 7 also rates their internal consistency (reliability: Cronbach's alpha).

The theoretical constructs are as follows:

1. Adequacy of ethics education coverage (Q5.3, Q5.5, Q5.6, Q5.8, Q5.12)
2. Importance of ethics (Q5.1, Q5.4)
3. Ethical awareness: impact of ethics education (Q5.2, Q5.10)
4. Effectiveness of ethics education (Q5.7, Q5.9, Q5.11, Q5.13)

Table 7: Reliability test

Construct	No of items	Cronbach's alpha
Adequacy of ethics education coverage (Q5.3, Q5.5, Q5.6, Q5.8, Q5.12)	5	.862
Importance of ethics (Q5.1, Q5.4)	2	.298
Ethical awareness impact of ethics education (Q5.2,Q5.10)	2	.770
Effectiveness of ethics education (Q5.7,Q5.9,Q5.11,Q5.13)	4	.924
Overall	13	.931

Apart from the "Importance of ethics" construct, the internal consistency is good.

4.6 DESCRIPTIVE STATISTICS

4.6.1 Research question 1

Do CA trainees perceive ethics education at institutions of higher learning to be adequately covered?

Table 8: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Adequacy of ethics education coverage	90	1.00	7.00	5.8189	1.04990

Table 9: Variables as scalar quantities

	Mean	N	Std. Deviation
Accounting studies lecturers demonstrated good ethical awareness	6.08	90	1.019
Ethics content was adequately assessed at the under-graduate level of my accounting studies	5.78	89	1.363
Ethics content was adequately assessed at post-graduate level of my accounting studies	5.98	89	1.357
Accounting ethics content was given sufficient coverage by lecturers	5.65	88	1.382
Accounting ethics coverage in accounting curriculum is adequate	5.59	90	1.381

Table 10: Test statistics

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Adequacy of ethics education coverage **(Gender)**	980.000	1970.000	-.082	.934
Adequacy of ethics education coverage **(Study mode – Undergrad)**	194.500	222.500	-1.451	.147
Adequacy of ethics education coverage **(Study mode – Postgrad)**	396.500	2049.500	-1.451	.147
	Kruskal-Wallis H	**df**	**Asymp. Sig.**	
Adequacy of ethics education coverage **(Highest qualification)**	2.258	2	.323	

Table 8 shows that on the question of the adequacy of coverage of ethics education, CA trainees agree that ethics does receive sufficient attention in the accounting curriculum (mean of 5.8189 and standard deviation of 1.04990). Thus, SAICA-accredited universities are perceived to be compliant with the current SAICA curriculum which expects more time to be devoted to ethics education (SAICA, 2014:161-163). This shows that SAICA-accredited universities are perceived to be compliant with the SAICA curriculum which expects more time to be devoted to ethics education (SAICA, 2014:161-163).

What is most interesting (and gratifying) is the highest mean of 6.08 (standard deviation of 1.019) as shown in Table 9, showing strong agreement among CA trainees that lecturers demonstrated good ethical awareness. This means the conduct of the lecturers at SAICA-accredited universities was congruent with the content of the ethics courses they presented to students. Armstrong et al, (2003) expressed concern that ethics researchers have ignored the ethical principle of virtue which focuses on the individual's character (the course presenters and lecturers in this instance). Perhaps, students' observation of their lecturers' conduct is a more powerful source of ethics education than the mere content of the ethics lectures themselves. A curriculum, in that it is often reduced to written form, appears thereby to narrow the definition of its content substantially. The definition of curriculum, if expanded to be what is taught *and learned* may be more apt (Kelly, 2004, as cited Luke, et al. 2013:7). What is learned may come from many sources over and above the formal written content of a curriculum component.

When it comes to the assessment of ethics education, CA trainees agreed that it is adequately assessed at both the undergraduate (mean of 5.78 and standard deviation of 1.363) and postgraduate (mean of 5.98 and standard deviation of 1.357) levels, as shown in Table 9. The SAICA competency framework requires SAICA-accredited universities to assess ethics content at the advanced level (level 3) which requires knowledge and rigorous demonstration of comprehension of professional ethics (SAICA, 2014:87). SAICA-accredited universities are thus perceived to be fulfilling SAICA's expectations/intentions as CA trainees agree that the assessment is adequate. What is also positive is that the degree of agreement increases in their responses to questions of the adequacy of assessment in postgraduate accounting studies. This shows the emphasis on assessment of ethics education is not exclusive to undergraduate programs, but apparently gains momentum as students move into their postgraduate studies. There were no significant differences in the opinions of CA trainees when responses were classified according to gender, mode of study and highest qualification.

4.6.2 Research question 2

Do CA trainees believe ethics education at universities improved their ethical sensitivity?

Table 11: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ethical awareness impact of ethics education	89	1.00	7.00	5.9382	1.07084

Table 12: Variables as scalar quantities

	Mean	N	Std. Deviation
Accounting ethics education has improved my ethical awareness	5.96	90	1.131
Accounting ethics education enables me to identify business ethics dilemmas	5.93	89	1.241

Table 13: Test statistics

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Ethical awareness impact of ethics education **(Gender)**	941.000	1887.000	-.226	.821
Ethical awareness impact of ethics education **(Study mode - undergrad)**	230.000	258.000	-.886	.375
Ethical awareness impact of ethics education **(Study mode - postgrad)**	432.000	2028.000	-.926	.355
	Kruskal-Wallis H	**df**	**Asymp. Sig.**	
Ethical awareness impact of ethics education **(Highest qualification)**	.022	2	.989	

A strong agreement prevails among CA trainees that ethics education improved their ethical awareness, as shown in Table 11 (mean of 5.9382 and standard deviation of 1.07084). Table 12 shows that an ethical sensitivity improvement was strongly perceived to occur, both in the general sense (mean of 5.96 and standard deviation of 1.131) and in the business context (mean of 5.93 and standard deviation of 1.241).

This finding dispels the notion that ethics are determined (and fixed) early in life and that any ethics intervention is futile. This finding is supported by research results of other studies which have also found a positive correlation between ethics education and improved ethical sensitivity (Koumbiadis & Pandit, 2014; Flynn & Buchan, 2016). Table 13 shows that no significant differences existed between the respondents' opinions when classified by gender, study mode and highest qualification.

4.6.3 Research question 3

Do CA trainees in SA believe that business ethics education at SAICA-accredited universities has improved their ethical judgment?

Table 14: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Effectiveness of ethics education	90	1.00	7.00	5.8500	1.19038

Table 15: Variables as scalar quantities

	Mean	N	Std. Deviation
Accounting ethics education sufficiently prepared me to apply ethical principles in the business world	5.71	90	1.343
Accounting ethics education helps me to make decisions consistent with SAICA Code of Professional Conduct	6.01	90	1.222
Accounting ethics education has equipped me to evaluate ethical problems in the business world	5.83	89	1.308
Accounting ethics education is useful in my personal life	5.84	89	1.413

Table 16: Test statistics

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Effectiveness of ethics education **(Gender)**	975.500	1965.500	-.120	.905
Effectiveness of ethics education **(Study mode – Undergrad)**	202.500	230.500	-1.333	.182
Effectiveness of ethics education **(Study mode – Postgrad)**	343.000	1996.000	-2.123	.034

	Kruskal-Wallis H	df	Asymp. Sig.
Effectiveness of ethics education **(Highest qualification)**	.937	2	.626

Table 14 shows that CA trainees consider ethics education to be effective (mean of 5.85 and standard deviation of 1.19038). They agree that when they are faced with ethical dilemmas, they reference their ethics education to evaluate the ethical dimensions of the situation (mean of 5.83 and standard deviation of 1.308 in Table 15) and apply it in the business world (mean of 5.71 and standard deviation of 1.343 in Table 15). This finding agrees with the outcome of the study by Eynon *et al.*, (1993) that found that CPAs who had taken ethics courses showed comparatively good moral reasoning. Martinov-Bennie Mladenovic (2015) found that ethics education based on the ethical framework increased the effectiveness of ethical judgement. In SA, ethics are predominantly taught in the auditing course, which uses an ethical framework prescribed as by SAICA, and that could explain why this study has reached a similar finding.

There is a very strong agreement among CA trainees that ethics education in the accounting curriculum helps them make decisions that align with the SAICA Code of Professional Conduct (mean of 6.01 and standard deviation of 1.222 in table 15). This may be testament to the appropriateness of the SAICA's competency framework which requires 12 weeks to be devoted to ethics education (SAICA, 2014:87). In response to Research Question 1, CA trainees agreed that the content of their ethics courses was adequately presented and assessed. While this meant that universities were perceived to be compliant with the SAICA's requirements on ethics coverage, it also shows that this relatively extensive coverage succeeded in implanting ethical knowledge in the students. Equipped with this knowledge, CA trainees recognised that they were then able to apply it in business.

A very interesting finding is that CA trainees agreed that ethics education in the accounting curriculum was also useful in their personal lives (mean of 5.84 and standard deviation of 1.413 in Table 15). Research studies on ethics have almost all focused on the usefulness of ethics education within the business environment. This finding regarding the influence of ethics training on their personal lives may be linked to the fact that these respondents also agreed that their lecturers had demonstrated good ethical conduct (mean of 6.08 and standard deviation of 1.019 in Table 9): in other words, the lecturers had demonstrated the good ethical conduct they were teaching, and this positive behaviour probably impacted them. While the SAICA competency framework aims to equip CA trainees with the knowledge, skills and attributes they need before entering the profession, a concomitant benefit may be that the professional skill they have learned is discovered to apply equally to life in general.

No significant differences were found when respondents' perceptions were categorized according to gender, undergraduate study mode and highest qualification. The only significant difference in opinions was found in postgraduate study mode classification (whether full-time or part-time). The Kruskal-Wallis H test found a significant mean difference between the full-time and part-time groups regarding effectiveness of ethics education ($z=-2.123$, $p<.05$ in Table 16). Part-time students (MR=47.31, n=18) rated the effectiveness of ethics education significantly higher than full-time students (MR=34.35, n=56). A possible explanation may be that some part-time students pursue their postgraduate qualifications while already working in the industry. Consequently, they might have had more exposure to ethics-challenging situations in their work settings than those who opted to continue their postgraduate qualification studies on a full-time basis.

4.7 CONCLUSION

CA trainees were in almost total agreement that one's ethics are an important issue in business (mean of 6.62 and standard deviation of 1.061in Table 6), and that the SAICA's Code of Professional Conduct is a first point of reference when they are faced with business ethics dilemmas (mean of 5.92 and standard deviation of 1.309 in Table 6). Although these two aspects were not the core objectives of the research, they nevertheless show that CA trainees take ethical issues very seriously.

It should be noted that the study was carried out during the period when allegations of state capture and auditors' involvement were receiving significant media attention. It is possible that this might have influenced their strong perceptions about the importance of ethics. There is also a possibility that accounting firms were giving more attention to ethics in their in-house training to ensure they did not face the reputational crisis KPMG experienced.

The study has found that CA trainees consider ethics education in the accounting curriculum to be adequate, and that it improved their ethical sensitivity and ethical judgement. In the SA context, the results of this study suggest that the recent ethical lapses of the accounting professionals are less likely to occur in future as the SAICA-accredited universities are perceived to be giving sufficient attention to ethics education than its global counterparts. The next chapter suggests recommendations based on the research findings highlighted in the chapter.

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

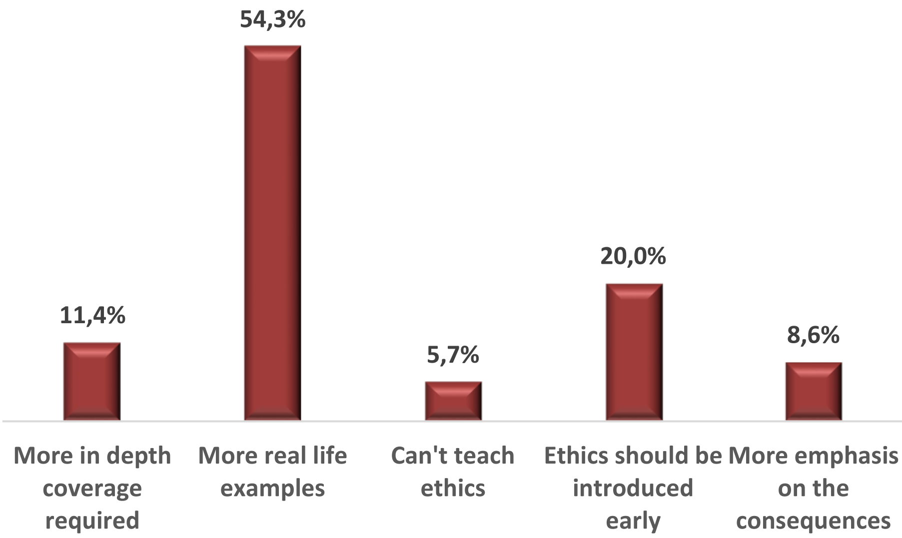
The survey concluded with a request to respondents to provide any recommendations regarding changes they would like to see in business ethics education in the accounting curriculum. The recommendations were categorised into the following general themes:

a) More in-depth coverage required
b) More real-life examples should be given
c) "Can't teach ethics" belief
d) Ethics should be introduced early in the curriculum
e) More emphasis needed on the consequences of lapses in ethics

The frequency of these types of recommendations is summarised in Table 17 below.

Table 17: What changes would you recommend for the business ethics curriculum that you were exposed to during your university accounting studies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More in depth coverage required	4	4.0	11.4	11.4
	More real-life examples	19	18.8	54.3	65.7
	Can't teach ethics	2	2.0	5.7	71.4
	Ethics should be introduced early	7	6.9	20.0	91.4
	More emphasis on the consequences	3	3.0	8.6	100.0
	Total	35	34.7	100.0	
Missing	System	66	65.3		
Total		101	100.0		



Of the 101 respondents, 43 participants provided recommendations. Of the 43 responses, only 35 recommendations could be categorized into the themes shown in Table 17.

5.2 RECOMMENDATION 1: MORE REAL-LIFE EXAMPLES ARE REQUIRED

Of the 35 recommendations given, 54.3% expressed concern that presently, ethics education predominantly involves memorization of the SAICA's Code of Professional Conduct. Practical applications involve case studies. However, those used lacked relevance to current realities. This is contrary to the SAICA's expectation that business ethics material should comprise real-life case material (SAICA, 2014:161) While the results of Research Question 1 showed that business ethics education is adequately covered, CA trainees are concerned about its quality and depth. SA is presently inundated with practical case study material on financial fraud and audit failures, and it is thus surprising that CA trainees strongly identified that their training was so lacking in relevant practical examples within the SA context. Thus, if students are exposed to more contemporary real-life case studies within the SA environment, they might be better prepared to respond appropriately when called on to do so in the work environment. The 11.4% of respondents who suggested the need for more in-depth coverage included suggestions with similarities to the requests for more real-life examples, and will therefore not be discussed separately.

5.3 RECOMMENDATION 2: ETHICS SHOULD BE INTRODUCED EARLY

CA trainees recommended that business ethics education should be introduced from the first year of their undergraduate studies (20% of the recommendations as shown in Table 17). This suggestion is not surprising as there was a very strong agreement among CA trainees that ethics are an important issue in the business world (mean of 6.62 and standard deviation of 1.061 in Table 6). It also was apparent in the recommendations that this suggestion is driven by what is presently happening in and to the accounting profession. As was shown in the literature review, there is a dearth of resources and research opportunities in the field of professional ethics, and this has been cited for diminishing the importance of ethics education (Cohen & Pant, 1989; McNair & Milan, 1993; Dellaportas, et al. 2014). The reputational damage already done to and the consequent crisis faced by the accounting profession in SA may thus warrant serious consideration of CA trainees' suggestion that ethics education be introduced into the curriculum from the start of their undergraduate studies.

5.4 RECOMMENDATION 3: THERE SHOULD BE MORE EMPHASIS ON THE RAMIFICATIONS OF ETHICAL VIOLATIONS

One of the suggestions (from 8.6% of those making recommendations) was that the consequences of unethical conduct should enjoy greater emphasis in the syllabus. One of the grave concerns in SA is that there have been virtually no legal consequences for those identified as corrupt. At the time of writing this research report, not a single accounting professional has been convicted and sent to jail due to their involvement in so-called state capture frauds. The frustration, expressed annually by the Auditor-General of SA (AGSA), is that there continues to be a total lack of consequence for "bad" management. The risk of being caught has been found to motivate students to behave more ethically (Sadler & Barac, 2005:124). If people are motivated to be more ethical for fear of being caught, the likelihood of improved ethical behaviour increases if consequences are effectively and efficiently meted out. Perhaps it is against this background that the President Cyril Ramaphosa has signed into law amendments to Public Audit Act which would empower the AGSA to issue directive for recovery of money lost due to irregularities. Therefore, one of the ways the accounting professional bodies in SA can promote good ethical conduct among their members is by ensuring that their membership rules contain serious consequences for unethical behaviour, and that these rules are effectively and efficiently implemented. This will provide current (and intimidatory) material for lecturers to convey to their students.

5.5 SUGGESTIONS FOR FUTURE RESEARCH

The suggestion was strongly presented by CA trainees that there is a lack of current, practical case studies that shed light on audit failures within the SA context. Soliciting the opinions of lecturers at the SAICA-accredited universities may therefore provide some useful insights into how this concern has arisen and how it may be addressed.

Armstrong et al, (2003) expressed concern that the ethical principle of virtue has been ignored in research studies on business ethics. The research focus has been on rules and actions, and their consequences. Research studies exploring the impact of ethics courses that include the ethical principle of virtue will thus enrich the academic body of work on ethics education.

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APPENDIX A: QUESTIONNAIRE

Welcome to my survey!

Thank you for participating in my survey. The purpose of the study is to obtain trainee accountants' perceptions of the usefulness of the business ethics curriculum on professionalism. This is an anonymous and confidential survey, therefore you cannot be identified and the answers you provide will be used for academic research purpose only.

Please maximise your browser window for the best view.

Section A: Biographical Detail

1. What is your gender?

Male

Female

2. What is your highest academic qualification?

Advanced Diploma in Accounting

Bachelor of Commerce

BCompt Honours degree

Postgraduate Diploma in Accounting/CTA

Master's degree

PhD/Doctorate

Other (please specify)

3. How did you study for your undergraduate education?

Full-time

Part-time

4.How did you study for you postgraduate education?

Full-time

Part-time

Section B: Business Ethics

The following are statements regarding different aspects of business ethics curriculum at institutions of higher learning.

	Totally disagree	Disagree a lot	Disagree somewhat	Agree	Agree somewhat	Agree a lot	Totally agree
Ethics is an important issue in the business world							
Accounting ethics education has improved my ethical awareness							

Accounting studies lecturers demonstrated good ethical awareness

SAICA Code of Professional Conduct is my first point of reference when faced with business ethics dilemma

Ethics content was adequately assessed at the undergraduate and levels of accounting studies

Ethics content was adequately assessed at post-graduate levels of accounting studies

Accounting ethics education sufficiently prepared me to apply ethical principles in the business world

Accounting ethics content was given sufficient coverage by lecturer

Accounting ethics education helps me to make decisions consistent with SAICA Code of Professional Conduct

Accounting ethics education enables me to identify business ethics dilemmas

Accounting ethics education has equipped me to evaluate ethical problems in the business world

Accounting ethics coverage in accounting curriculum is adequate

Accounting ethics education is useful in my personal life

7. What changes would you recommend for the business ethics content you were exposed to in your

university studies?

Thank you for taking part in this survey! Your participation is much appreciated