

**UNIVERSITY OF GHANA
BUSINESS SCHOOL**

**ETHICAL PERCEPTIONS OF ACCOUNTANTS IN GHANA: THE
INFLUENCE OF INDIVIDUAL FACTORS AND
PERSONAL VALUES**

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DECLARATION

I hereby declare that this dissertation is the result of my own original research towards the MSC and that to the best of my knowledge no part of it has been published by another person or presented for another degree in this university or elsewhere except where due acknowledgement has been made in the text.

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CERTIFICATION

I hereby certify that this long essay was supervised in accordance with procedures laid down by the University.

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ABSTRACT

This study examines Ghanaian accountant's ethical perception on decision making and individual factors and values that influences them. A well-structured questionnaire was employed with a sample size of 162 respondents from selected accounting firms in Greater Accra for the study. Smart PLS structural equation modelling (SEM) results showed that there exist positive and significant relationship between objectivity, integrity, honesty, self-control and ethical perception. The PLS-SEM results showed on gender, concludes that male accountants have greater level of integrity than females. Significant relationship between male accountants and ethical perception concluded at 1 percent level than females. Moreover, male accountants showed highly significant relationship between objectivity and ethical decision-making process. Age group of (31-35) accountants showed highly significant relationship between ethical perception and ethical decision-making process. It is recommended that demographics and personal values of accountants be given attention by institutions and firms in developing appropriate ethical curriculum and appropriate ethics training for employees since these demographics and values statistically influence individuals' ethical decision-making.

DEDICATION

I dedicate this dissertation to God Almighty, maker of Heaven and Earth. And to my husband and children.

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I give thanks to the Almighty God for the gift of life and the successful completion of this work. I gratefully acknowledge my indebtedness to my supervisor, Dr. Godfred Matthew Yaw Owusu for his patience, time, detailed comments, effective supervision and in-depth knowledge in Accounting and Finance which has contributed to the successful completion of my dissertation.

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LIST OF ABBREVIATIONS

ICAG	–	Institute of Chartered Accountant Ghana
IFAC	–	International Federation of Accountant Code of Ethic
FASB	–	Financial Accounting Standard Board
GAAP	–	General Accounting Principles
ACCA	–	Association of Certified Chartered Accountants
CMD	–	Cognitive Moral Development
SPSS	–	Statistical Packages for Social Sciences
PLS	–	Partial Least Square
SEM	–	Structural Equation Model
EFA	–	Exploratory Factor Analysis
AMOS	–	Analysis of Moment Structures
LISREL	–	Linear Structural Relations
CFA	–	Confirmatory Factor Analysis

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Accounting profession has gone through eminence crisis globally in these past years (Ball, 2006; Chakrabarty, 2011) where corporate scandals in the United States and Europe such as Enron, Stanford International Bank, Satyam Computer Services has globally created a big challenge to the accounting profession's honor, professional conducts and accountability to the public. These negative perceptions put a particular type of idea on the image and integrity of the accounting profession globally from the general public (Byrne & Willis, 2005). It was revealed by the Association of Chartered Certified Accountants (ACCA) report (Closing the Value Gap, 2012) that changing the regulation and business law grows in line with the role of accountants, a gap of perception of the public and the accounting profession when it comes to the issue of trust emerged. The report also suggested a 25% trust variation indicating the gap between how the industry sees itself and the level of trust the public holds for accountants. Moreover, Mbawuni (2015) researched that 85% of the accountants agreed that accountancy as a profession should be doing more to improve its overall image.

The importance of accounting has become part of the development of our society in such a way that, the country cannot be managed without a high-quality accounting, auditing and financial management firms. Accountants are however expected to attach morals and ethical behavior in discharging their works. Ronen (2008) research revealed that people who use financial statements rely on the precision, fair and truthful representation of financial statements and auditor's opinions regarding the statements representing the fair value of the organization. The fundamental problem of unethical accounting practices has to do with the way a company's financial position is

represented to stakeholders and other interested parties. However, decision to invest in a particular company is based on how a firm's financial position is reported in its annual report and other legal documents.

Accountants play a significant role in good corporate governance and ethical sustainable business practices as argued by Low et al., (2008) accounting scandals, ethical dilemmas and educational challenges. Accountants assist in financial statements and audit those statements, however, a new law for accounting profession have been set, which calls for increase in greater transparency and corporate governance as well as increased in adoption of professional and ethical practices by businesses, all these can be due to poor quality professional education. Low et al. (2008), therefore concluded that there are factors that influenced the ethical behaviors to arrive at those scandals and also found that student's perceived ethics education does not have a significant influence on their ethical conduct.

What would have been this world without the existence of rules and regulations, there is therefore the need for the rules to govern the behavior of individuals in the society. Ethics however came about to shape the behavior (s) of society. The Institute of Chartered Accountants Ghana (ICAG), Corporate Strategy, Ethics, and Governance (first edition 2015) defines ethics as a set of moral principles to guide behavior. It also states that ethics and morality are about right and wrong.

This study is however about Accounting Ethics, that is how accountants perceive ethics and how their individual or personal values influence or affect their ethical perception in decision making. Several efforts have been made in improving ethical behavior of accountants as (Armstrong,1993; Nathan, 2015; Cameron and O'Leary, 2015) are of the view that the world has brought into existence, ethics in almost all business and professional accountancy programs as well as code of ethics guiding accountant's work delivery.

Research on ethics in accounting in these past few years has gained a lot of recognition, where many researchers have come up with different findings on ethical perception and some individual factors that affect them in making ethical decision.

All these researches came into being due to unethical scandals that hit the financial world, however, (Ferrell, Fraedrich and Ferrell 2015; Mintz and Morris 2014) are of the view that scandals in accounting and other unethical behaviors have had impact on accounting profession worldwide.

The top five biggest financial scandals in the world such as Charles Ponzi (1999), Enron (1995 and 2000), WorldCom, Bernard Modolf (1980's) and Lehman Brothers 2000s who all defrauded their customers in one way or the other through deceit by engaging in financial accounting tricks known as Ponzi Scheme to make wealth, all resulted in huge debt (Barclay Ballard, 2018). Investigations by Security and Exchange Commission (SEC) yielded that Enron had engaged in unethical activities in regards to fraudulent financial reporting through illegal and unethical activities (Jennings, 2009). Enron's scandal manifested in criminal conviction of one of the big five Auditor, Arthur Anderson on June 15, 2002, though the conviction was invalidated on 31 May 2005, the Audit firm ceased to exist and folded up. All these came up as a result of the Audit firm taking advantage of loopholes that were found within the General Accounting Principles (GAAP) and failed to give accounting advice to the company (Robert Bryce, Pipe Dreams; 2002). The Financial Accounting Standard Board (FASB) then thought out in advance to introduce more principle- based standards.

Ghana however is experiencing similar scandals, the local banks of Ghana have recently been hit by huge debt which have compelled the Central Bank to withdraw the license of seven banks, taking over completely two and merging the rest of the five banks. The question to ask is, were the professional accountants in compliance with the code of ethics in conducting their work? Did they

report the actual figures on the financial statements, or the figures were “cooked” to look good in the eyes of the shareholders and other stakeholders?

Afolabi, J. (2018) research resulted that one of the reasons for the collapse of the seven local banks in Ghana were breach of Governance where directors of the board failed to supervise the integrity of the bank accounting and corporate reporting systems, including the external audit due to lack of understanding, ignorance, experience and self-seeking interest. He is also of the perspective that lack of independence, confidentiality, integrity and self-confidence which constitute to lack of personal ethical values on the part of the Chief Internal Auditors also contributed to the factors that hindered the progress and stopped the going concern of the local banks which was never in the case of the Foreign Banks.

Afolabi then concluded that it is important for the Central Bank to ensure strict adherence and compliance to its regulatory requirements and apply the same lens in reviewing all reports. In going forward, the Central Bank has set up an office of Ethics and internal investigations to interrogate the roles of persons of the Central Bank who may have contributed to the collapse of the seven banks.

Jeppesen, K. (2018) research on fighting against corruption by auditors, resulted that, the exclusion of corruption from the definition of fraud and reclassifying it as non-compliance with the argument that corruption leaves no material errors in financial statements and no evidence for the auditor to follow has rather increased fraud and corruption in the organization. Therefore, auditors need to cooperate and exchange information, auditing techniques to detect corruption, and also auditing profession must embrace effective preventive measures such as anti-corruption certifications in order to fight corruption.

1.2 Problem Statement

Chan et al. (2006) in the “effect of accounting students’ ethical reasoning and personal factors on their ethical sensitivity”, found out that accounting students have different ways of detecting the presence of ethical issues in professional scenarios.

It was also found that there is no significant relationship between accounting students’ ethical sensitivity and their ethical reasoning which all implies that a person with the ability to determine what is ethically right or wrong may be negligent to behave ethically due to inadequacy in identifying ethical issues in a situation. The results also show that the involvement of accounting ethics may have positive effect on accounting students’ ethical sensitivity development.

Most researchers have looked at the ethical perception of accounting students but not working accountants. However, this study will focus on accountants’ ethical perception on decision making and factors that influences their decision making.

1.3 Objectives of The Study

- The main objective is to investigate the ethical perceptions of accountants in Ghana and to evaluate the influence of some individual factors (i.e. gender, age, religion, work experience, education) which may affect their ethical decision-making process.
- To examine the degree of importance in which some personal values (i.e. objectivity, Integrity, Honesty and Self-Interest) of accountant’s ethical perception influences their decision making
- To prove whether the influence of these factors is statistically significant in decision making.

1.4 Significance of Study

This research is significant in many respects. First of all, it's an opening for us to ascertain whether individual factors influence accountants' decision-making process when faced with ethical dilemmas.

Understanding the factors which shape the ethical standards of future accountants and working accountants will help educational institutions develop appropriate ethics curriculum and help firms develop appropriate ethics training for their employees. Unethical standards at the workplace will most definitely hinder the profession's age-old commitment to serve the public interest.

Moreover, this study is going to add to existing knowledge around ethical perceptions of accountants and how their individual factors and personal values will affect these perceptions in decision making.

1.5 Limitations of The Study

This study is limited to only Accountants in the accounting firms in Accra. It is also restricted to only quantitative method and does not give the permission to investigate from a qualitative perspective to know the whys and how's of the answers.

1.6 Organization of the Study

Chapter one would contain a general introduction, background statement, problem statement, research objectives, the significance of the study and limitations of the study.

Chapter Two would comprise of the literature review and detailed study of other theories and conceptual framework of the study.

Chapter Three would include, methodology, which comprises of the introduction of the method, research design, population sample and the collection of the data instrument.

Chapter Four would cover the analysis and results that will come up at the end of the data collection.

Chapter Five would be made up of the discussions, conclusions, limitations, recommendations, reference and questionnaire.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature related to the study. Issues reviewed are the Accounting Profession in Ghana, Business Ethical Perception, Individual Factors and Personal Values. It also highlights definition and concept of accounting ethics. A review of related studies and conceptual framework would also be provided.

2.2 Definition of Terms

Ethics from the Greek “ethos”, meaning character; ethics is the study of how we make decisions. Ethical decision making helps us make difficult choices when faced with an ethical dilemma, a situation in which there is no clear or wrong answer. Ethics is a branch of philosophy and is therefore concerned with formal academia reasoning about right and wrong, but values are the common sense, often taken-for-granted, belief about right and wrong that guide us in our daily lives, imagine in a situation at work where you have to decide whether to act against a manager who you know to be fiddling their expenses.

International Federation of Accountants (IFAC, 2013) explains Ethics as the set of moral principles or laws of the universe that govern the behavior of a system such as individual, organization or society. Ethics is about the way we behave towards each other, our clients, our community, our country and our regulators or legislators. It is about honesty and integrity and working within the letter and the spirit of the law. It is about making the right decisions and professional choices. Therefore, a distinguishing mark of the Accountancy Profession is its acceptance of the responsibility to act in the Public Interest.

According to Luca Pacioli, the “Father of Accounting”, in his first book, *summa de arithmetical, geometria, proportioni, etproportionalita*, published in 1494 wrote that Ethical standards have ever since been developed through government groups, professional organizations and independent companies which various groups have led accountants to follow several codes of ethics to perform their duties in a professional work environment. Therefore, ICAG are of the view that Accountants must follow the code of ethics set out by the professional body of which they are a member of.

In other words, ethics provides principles and arguments drawn from ethical theory, for thinking about the issue, the emotional force of your values in contrast would lead you to an intuitive feel for the right thing to do, of course, how much weight you give to your analysis and our emotions is another matter.

Rokeach survey came out that Ethics are studied whilst values are learned or acquired through process of socialization. Some types of values are moral values, competence values, personal values and social values. The moral and competence values are how a person should live or behave and the personal and social values are the purpose that we should be striving for.

2.3 A Brief Overview of Accounting Profession in Ghana

The Association of Accountants in Ghana was first rooted and registered as professional body by British West Africa in 1954 and then modified to the Institute of Chartered Accountants, Ghana (ICAG) in 1963 by an Act of Parliament, Act 170, in 1963. It was however imposed with the regulation of the accountancy profession in Ghana, that is setting professional standards and also being the only organizational body in Ghana with the right to give out award to designated Chartered Accountants and with the obligation to regulate the accountancy profession in Ghana. The first ICAG professional examination was conducted under the administration of ICA (England and Wales) in 1968. 30% representing two out of seven candidates passed, and ICA (England and

Wales gave the full professional independence and freedom to ICA (Ghana) in 1978, after being satisfied with the examination standards and membership qualification and being convinced ICAG can manage its own affairs. Most members who founded the ICAG were mostly UK bodies qualified professionals (i.e. ICA of England and Wales and ICA of Scotland). Most of the initial practicing members have fallen away gradually. The membership has been categorized into two, i.e. (a) qualification from ICAG examination and (b) qualification from other accountancy bodies recognized by the body such as ACCAs of UK, Institute of Cost and Works of Accountants (ICWAS) of India, and Certified Public Accountants (CPAs) of United State of America. ICAG is also member of other regional and international accounting professional bodies such as Association of Accountancy Bodies in West Africa (ABWA), International Federation of Accountants (IFAC) and Pan-African Federation of Accountants (PAFA). With two candidates who passed the Institutes' examination for the first time in 1968, ICAG can now brag of 3,923 qualified members out of which 352 are practicing members. It can also congratulate itself by having current population of over 10,000. ICAG now make significant contribution to the country's economic development branch offices in every region.

2.4 Business Ethical Perception

Accountants, in addition to professionals are members of a society where their behaviors and attitudes do influence business and society in general (Cristina and Florina, 2008). The ethical conduct of these professionals in the provision of accounting services contributes to the socioeconomic development and the making of own and client decisions (Pimenta and Souza, 2014).

The “principles of business ethics and the role in decision making and initial consensus” according to Archie B. C. (1990), is of the view that Ethical issues at work might best be approached by

concentrating on developing people who are virtuous and have the judgement to be able to make moral decisions and act upon them when faced with ethical problems. Sound moral principles can be applied to ethical issues at work to guide our moral actions.

Langenderfer and Rockness (1989) and Cohen et al. (2001), were of the view that training professionals early and people with work experience should become one of the responsibilities of a university to make available managers with the ability to recognize ethical issues in the practice in order to bring out the norms, principles and values related to situations to identify alternative choices and to decide on the most appropriate course of action when such dilemmas are faced with.

Ariela Cagilo and Mara Cameran, (2017), research also showed that the opinion of the accountant as a corrupt professional does not have power and influence on GenMe (i.e. students and young workers born in the 1980's and 1990's), its studies also proved that public perception of accountant ethics has room for enhancement through university courses in ethics, continuing education programs and focused communication strategies by accounting firms and professional bodies.

Although (Leuz, Nanda and Wysochi, 2003) and (Burgstahler, Hail and Leuz, 2006) have proved that institutional factors have important influence on the quality of accountancy reporting, (Rausch, Lindquist and Steckel, 2014) have also found that more individualistic culture leads to a greater ethical awareness of individuals.

Example of business Ethics, should an accountant give a detailed account of inaccuracy seen in her audit of a client, knowing very well her company will be facing certain consequences because of that? Should a salesperson omit facts about a product's poor safety record in his sales presentation to a client? Irrespective of their legality, the actions taken in such situations will surely be judged by others as right or wrong. By its very nature the field of business ethics is controversial,

and there is no universally accepted approach for resolving its questions. More imagination and creativity are needed in examining these important issues.

2.5 Codes of Ethics

Code of ethics is a written set of rules issued by an organization to its workers and management to help them conduct their actions in accordance with its primary values and ethical standards. This is to say that, once you are member of a group, whatever codes of conduct that govern the group must be adhered to. The International Federation of Accountants Code of Ethics (IFAC) is a global organization with a mission of integrity and expertise that concerns accounting profession worldwide. In Ghana, the mission is represented by the Institute of Chartered Accountants Ghana with their fundamental principles of the Code of Ethics for Professional Accountants being Integrity, Objectivity, Professional Competence and Due Care, Confidentiality and Professional behavior (IFAC 2010). According to (Allan and Bunting, 2008) the code of ethics applies to professionals in public practice, business, academia and government. Ogbonna and Ebinobowei (2011) are of the view that accountants in compliance with professional ethics of integrity among others will improve the quality of financial reports and any organizations' performance. According to IFAC (2013), choices and business decisions are made everyday which impacts directly to the way our clients, the market, employers and regulators view us and the way we see ourselves.

Having revealed that, IFAC code of ethics have therefore been developed to give ethical and behavioral framework to each and every one of us to base our decisions on and have a clear set of standards to base our business conduct, it is therefore also stated that ethics is about honesty and integrity and making the right decisions and professional choices. Thus, every Ghanaian accountant must adhere to it.

2.6 Individual Factors

Being confronted with various ethical conflicts of dilemmas and decision making in our everyday lives, Cohen et al. (2001), defined “decision-making in situations as where ethical conflicts are present”, and these problems occur when interests between parties contradict (Blodgett et al., 2001). As decision-making may depend on, among other things, situational and individual factors, Rest (1986), and its ability to acknowledge and correctly evaluate the ethical dilemmas in decision making situations is a necessary precondition to good ethical decisions. To reduce the uncertainties and implied decision-making risks based on subjective factors, we observe the emergence of codes of ethics (for professionals and organizations), which are intended, among other objectives, to standardize the attitudes of members of the organization to which they relate. Costa et al., (2016) are therefore of the view that a set of procedures in regulatory instruments do not guarantee members will make ethical decisions.

The literature is comprehensive on the topic of decision-making where (Craft, 2013; Ford & Richardson, 1994; Lehnert et al., 2014; Loe et al., 2000; O ’Fallon & Butterfield, 2005), and other authors all categorically identified conditioning factors and mostly considered these factors to be separated into two groups (i.e. individual factors and organizational factors). The factors associated with the decision maker was first categorized by Ford and Richardson (1994) and the second as the situations in which the decision maker decides. However, factors such as age, gender, nationality, religion, beliefs, values, education, professional experience, philosophy and value orientation, among many other characteristics, all constitute essential factors to the individual which are all included in the individual factors. Organizational factors however sequentially include all factors related to situations or environments, such as the influence of the work environment (peers and supervisors), organizational culture (the characteristics of the organization

itself), opportunity, codes of ethics, rewards and sanctions, among others (Costa et al., 2016). According to Craft (2013), a rise attention on individual factors have been received from many researchers, and these factors continue to be studied, as researched by Lehnert et al. (2014). In the thick of these individual factors, I have chosen to focus my attention on Gender, Age, Work experience, Education and Religion. And consider certain personal values.

Gender

Several studies have set out to find out whether the male gender is ethical than the female gender as this has been a starting point for many studies to consider (Weeks, Moore, McKinney, & Longenecker, 1999).

Schwartz (1989) research had therefore shown women bringing discrete gender -related characteristics and personal values to the workplace that should be explored. According to (Cagle & Baucus, 2006; Ferrell & Skinner, 1988; Krambia-Kapardis & Zopiatis, 2008; Pierce & Sweeney, 2010; Ruegger & King, 1992) there has been a drift in various studies showing a significant difference between men and women while other studies showing no significant differences. In Beltramini et al. (1994) nationwide survey of Business students, it resulted female students were more of concerned with ethical issues than male students. Also, Peterson et al. (1991) findings showed females being bothered about ethics than males. It has therefore been concluded by many researchers that gender significantly influences decision-making but surprisingly, Serwinck (1992) studies came out gender has no impact on ethical awareness. Kidwell et al. (1987) studies on ethical awareness of male and female managers also found no significant difference between males and females.

There is an entire literature on investigations of ethical differences between women and men. A great deal of previous research has examined how a person's ethical perspectives are related to gender. While not all studies support the presence of statistically significant sex differences in ethical judgments, those that do conclude that women apply stricter ethical standards than men. Men and women have socially ascribed sex roles. Socialization emphasizing ambition assertion and competition shape men's ethical judgments while socialization stressing harmony, warmth, and caring shape women's ethical judgments. Recent studies not supporting gender differences include Jones and Kavanagh (1996) and Davis and Welton (1991). Based on these mixed findings, further research is necessary.

Age

Empirical results differ across studies whenever age is a variable. Knotts et al. (2000) adage which states that older people bring about wisdom has encouraged countless researchers into studying how age influences ethical perception. According to (Chiu, 2003; Peterson et al., 2001 and Vitell et al. 2003) relationship between age and strictness of ethical judgement has been frequently predicted to be positive. (Laczniak and Inderrienden 1987 and Beltramini et al. 1994) research found inconsistencies on the relationship between age and ethical judgment, as people grow older, they tend to be more ethical. Nevertheless, some theories have found younger people to be more stricter in taking ethical decisions than older people (Ede et al., 2000; Vitell et al., 2007).

On the other hand, other studies reported no significant relationship between age and ethical judgments (Barnett and Valentine, 2004; Schepers, 2003). Despite these inconsistencies, the theoretical consensus appears to support that age improves one's ability to apply relevant ethical standards, which produces more disapproving views of ethical lapses.

However, Serwinek (1992) findings showed, as age increases, respondents exhibit more traditional ethic way of stricter and less concession way of how ethics are viewed. All these different findings make it necessary to add age to individual factors to be studied.

Religion

Dickson (1843) according to Keller et al. (2007) is of the view that religious ethics basically basis its guidance on the supreme being whom standards of right and wrong are set and the source is identified as God. Ethical direction is however provided by God through written commandments or prayers.

Some academics in studying the topic of ethics from the religious perspective, found out that generally there is an effective domination of religiosity on ethical awareness (Rice, 2006; Lam and Shi, 2008; Wong, 2008). Again, Phau and Kea (2007) found that accounting students who practiced their religion tended to consider themselves more ethical than those who did not. An increase in income increases the possibility of a person being ethical.

Religion is one of the commonly cited determinants of moral values (Emerson and McKinney, 2010) as in this approach, religion plays an important role in guiding what is right or wrong in decision-making, and God is seen as the source of the ethical standard (Modarres and Rafiee, 2011; Keller et al., 2007) of whom Majority of world religions teach morality and disapproving of unethical actions (Emerson and McKinney, 2010) which also helps their followers to behave honestly. Religious people know that they are answerable for their acts in the hereafter, as well as in this world. They are very mindful that good deeds will be rewarded and misdeeds will be punished sooner or later.

Work Experience

Ethical behavior in relation to work experience is being considered by several researchers, Eweje and Brunton (2010) research on “ethical perception of business students in New Zealand University” resulted there is a difference in ethical judgement when it comes to work experience but no evidence showed work experience had any significant impact on ethical judgement but overall conclusion suggest ethical awareness does increase alongside work experience.

Interestingly, as Kidwell et al. (1987) found work experience as one that reduces the strictness of ethical judgements, Weeks et al. (1999) found work experience to rather steer a stricter ethical judgement. But research by (Barnett and Valentine 2004; Schepers 2003) found this variable to be independent of each other.

However, Cron (1984) exploration with Weeks et al. (1999) indicated that if the superior make an insistent and peremptory request from the subordinate, he may be tempted to expediate acceptance of standards that are lower than desirable, that is on ethical issues especially in a case where the manager does not depict high ethical standards, this may pressure the subordinate to compromise ethical behavior. Further studies of them on attitudes towards ethical issues resulted that work experience could influence a person’s ethical judgement.

More so, Dawson (1992) who studied differences in ethical perceptions and career stages concluded experience in work do have a remarkable impact on the ethical perception of business students.

Education

Does the level of education have an impact on the decision-making process of accountants?

Education could be whether accountants have taken a course on ethics or whether they are undergraduates or graduates or chartered accountants. Several researches have proven that there is a relationship between ethical perceptions and level of education. According to (Ford and Richardson, 1994), research on demographic factors such as level of education have been “seldomly reported and poorly understood”, this research shows that in the 1990’s whilst three studies tested on the effect of age and sex, only one tested the effect of level of education and this gives a lot of researchers to do fruitful research on it.

Deshpande (1997) however researched on managers’ perception of proper ethical conduct which came out that over 10% of managers with graduate degrees practice padding expense account which are significantly more unethical. Again, Browning and Zabriskie (1983) research which used a sample of 154 industrial buyers came out to show that respondents with less education are less unethical than those with more education in terms of taking gifts and favors. Hills and Stevens (1997) studies on “factors that influence the moral reasoning abilities of accountants” concluded that moral reasoning abilities are being impacted positively by accountants who completes ethics course in colleges. Kohlberg (1981) deduced that people who better understand complex and refinement issues will exhibit more enlightened levels of moral reasoning. However positive relationships between education and ethical judgment have been shown by many researchers in which empirical authentication does not appear to support this aspect. Similarly, several studies do not seem to find a connection between education and ethical judgments (Swaidan et al., 2003), while others report negative relationships (Chiu, 2003). Even though these empirical results might seem different to Kohlberg's theory, they may actually support it.

Higher levels of education might encourage people to more fully consider alternate perspectives or mitigating circumstances rather than judging complex ethical issues in narrow absolute terms. If so, a negative relationship between education and strictness of ethical judgments could be explained under Kohlberg. (Nikoomaram et al.,2013).

2.7 Personal Values

In this research, four personal values with its importance to decision-making will be studied thoroughly, therefore these four personal values relevant to the accounting profession are being considered using a 7-point Likert scale to analyze how significantly respondents attributes importance to those values:

- Integrity: accountants should be steered with standards of honesty and good faith.
- Objectivity: accountants should not promote favoritisms, show conflicts of interest or undue influence of others to override professional or business judgements
- Self – Control: accountants must learn how to retrain their feelings, emotions and reactions when faced with dilemmas.
- Honesty: accountants must be trustworthy, sincere and genuine in delivering their work.

In a study by Costa et al. (2016), it showed that in general, the factors such as gender, age, work experience and attendance of course on ethics were all affected by the importance attributed by students to the traits, these were, gender changed with inventiveness, obedience and responsibility, age changed with integrity, work experience changed with obedience, and attendance of a course on ethics changed with independence. However, none of the individual factors proved to be statistically significant in decision making.

2.8 Review of Related Studies

Several researches have been done on the ethical perceptions of accounting students and professional accountants. In a study conducted by Koumbiadis (2016) on Ethical perceptions of newly staffed accountants, he sought to examine the ethical perceptions among newly staffed accountants in light of the unethical behaviors of some corporate leaders. The study established that a relationship existed between new personnel accountants and the unethical behaviors of corporate leaders. Overall, newly staffed accountants are more likely to be aware of the importance of ethical behavior as a result of the demise of some large corporations, the ripple effect of these catastrophes on the economy, and the judicial consequences of perpetrating the financial fraud.

In another related study by Costa et al., (2016) on “ethical perceptions of accounting students in a Portuguese university: the influence of individual factors and personal traits”, it was revealed that, the ethical perceptions of individuals compared to their peers were, in most cases, divided. When they were not divided, the majority often had a negative perception of their peers. Thus, individual factors do have an influence on accountants’ decision-making process once presented with an ethical dilemma.

Odar et al., (2017) looked at “accountants’ ethical perceptions from several perspectives: evidence from Slovenia”, the research was about finding the ethical differences between internal accountants (i.e. without professional certificates) and external accountants (i.e. with professional certificates) and their leniency towards ethically-sensitive scenarios. A sample of 451 accountants were used for the research and it resulted that statistically, there were differences in the level of ethics between the internal accountants and external accountants which were significant. It was also found that 60% of the result showed that internal accountants assessed more ethically sensitive scenarios as ethical practice than external accountants since their helping hand were based on

agreement. Their result also showed that accountants from small firms were more lenient in ethically-sensitive scenarios.

In a study by Keller et al., (2007), they set out to answer the question “Do Gender, Educational Level, Religiosity and Work Experience Affect the Ethical Decision-Making of U.S Accountant” the study revealed that, religiosity was the strongest influence on ethical decision-making for both genders. In general, the results did not support the idea that gender is associated with differences in ethical decision-making which contradicts some past studies. Work experience and graduate education seem to have some impact on the ethical decision-making process.

Esa and Zahari (2005) studies also concluded that, the study of ethics during education may increase the awareness among students about what is ethical and what is not. This ethics subject contributes to the development of moral and ethical principles in future auditors, accountants and accounting staff.

Ahinfu and Addo (2017) studied Accounting Ethics and the Professional Accountant: The Case of Ghana, their findings suggested that, key contributory factors to accounting fraud are money culture and poor corporate values, behavior and legalistic culture. Also, to a great extent, accountants perceive ethics as being very relevant to their work.

2.9 Other Theories of Accounting Ethics

2.9.1 Kohlberg’s Theory of Moral Development

Kohlberg’s (1969) has been part of the most well-known paradigms on ethics theory on Cognitive Moral Development (CMD), which expanded on Piaget’s (1932) work on children’s moral reasoning development. Kohlberg was interested more in the way of one’s moral thinking as opposed to one’s moral actions. Kohlberg’s theory on CMD has been used broadly to study the

levels of moral progression of accounting students and accounting professionals (Jones et al., 2003). Jones et al. (2003) revealed a “relationship between a variety of individual characteristics and ethical development” (p. 92). Kohlberg’s (1969) research on CMD was measured in a “series of stages that begin in adolescence and extend through adulthood” under the headings of pre-conventional, conventional, and post-conventional (p. 39). Under each heading appeared two stages. Kohlberg made it clear that people’s ability to rationalize ethically in society was carried by associations with others in one’s environment. Kohlberg showed that ethical values through moral reasoning may develop earlier on in life and grow slowly as people mature into adulthood. Rest (1986) noted that Kohlberg’s “six stages are viewed as forming an invariant developmental sequence in which attainment of an advanced stage is dependent on the attainment of each of the preceding stages” (p. 226)

Several people do not proceed beyond stage four of the ethical decision-making process and hypothesize that most individuals do not progress through the three levels of cognitive moral development (Kohlberg, 1969). Individuals who do get through the three levels use moral reasoning that would be characterized by reference to universal values or principles, even when these might not be compatible with society’s law (Trevino, 1986).

Kohlberg’s theory is relevant to this study because of the way accountants progress through the stages of moral maturity as they go through the accounting curriculum from the time, they are students to the time they graduate and practice accounting. (Earley & Kelly, 2004; Clikeman, 2003; Jones, Massey, & Thorne, 2003).

2.9.2 Teleological Theories of Ethics

According to Shivneil Kumar Raj and Sandhya Roy (2016)’s Theory of Accounting ethics, individuals and businesses are always faced daily with ethical dilemmas when making decisions

where an act is evaluated on whether it is ethical or unethical. According to them, teleological theory is one of the theories being used to explain whether a particular act is ethical or unethical and accountants are to ensure integrity and high level of ethics in delivering their work.

This theory comes under normative ethical theory which according to M. Gaffikin (2007) was developed by Jeremy Bentham and Immanuel Kant, along with John Stuart Mill to form the Utilitarianism, where an action which is right depends solely on its consequences and is often referred to as Consequentialism. Mausio (2014) then came with the terms that these Teleological theories are being determined by their moral rightness or wrongness when taking decisions as a result of its consequences, this according to Mausio (2014) described as theory of Consequentialism or Utilitarianism that is judging from the rightness of an action.

In addition, Rawls (2009) also came up with a teleological theory which is theory of justice which he expressed as fairness. Teleological theory looks at behavior which is ethical if there are desirable consequences. There are four groups of teleological theories according to Shivneil Kumar Raj and Sandhya Roy (2016) research which are:

Ethical Egoism: - these are beliefs that one should act in a manner in which it boosts their own good but have little effect or consequences on people and in their own interest which are generally in consistent with positive accounting theory assumptions.

Ethical Elitism: - It is the behavior that is to protect the top management or positions at the expense of the middle or lower positions when a firm's integrity is at stake.

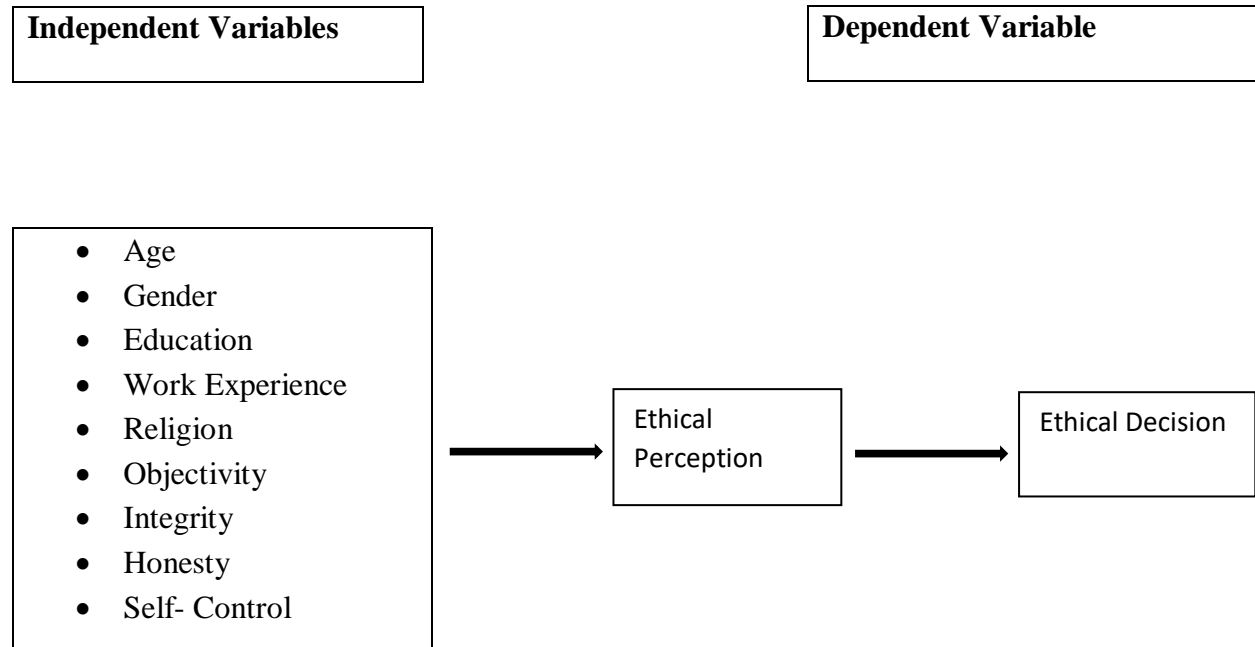
Ethical Parochialism: - this is a behavior that is to protect a group of your own. Example your own family, accounting profession etc.

Ethical Universalism: - this is an ethical behavior that is to protect all for the good. John Stuart Mill (1806-73) research was about the greatest happiness principle. Example, accounting standards are to protect all of society and businesses.

2.10 Conceptual Framework

The conceptual framework below shows the relationship between the independent variables and the dependent variable. That is the effect in which these independent variables (individual factors and personal values) affect the accountants' ethical perception in taking ethical decisions (dependent variable) when faced with ethical dilemmas at the workplace.

Figure 2.1 Conceptual Framework



2.11 Conclusion

All these studies have sought to study accounting students and working/professional accountants' ethical perception in connection to individual factors namely age, gender, work experience among others.

This study, will however, add religion and education to the individual factors to be studied; this serves as a new dimension to be researched as other personal values of these accountants will also be considered. This I believe will give us more insight on the degree of importance to decision making.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

In this chapter of the study, an appropriate methodology for the study will be considered which will describe the sources of data, the response and predictor variables that would present the model and estimation technique to be used for the study.

3.2 Research Design

The study employed quantitative method of research design to analyse the data to achieve the set objectives. Studies of this type are more of an exploratory study which therefore explains the reason for an already existing, observable fact as posited by Creswell & Plano (2011); Krueger & Casey (2014).

3.3 Target Population and Sampling Technique

According to Krueger & Casey (2014), population refers to any target group of individuals that has one or more characteristics in common that was of interest to the researcher for purposes of drawing conclusions. The entire population for the study constitutes Accountants in some selected accounting firms in Accra, Ghana. A random sampling was used to select the required sample size of 200 accountants from 20 licensed accounting firms in the Greater Accra region.

3.4 Data Collection Instruments

The study basically used primary data collected from the field of these selected accounting firms in the Greater Accra region. A well-structured questionnaire was designed to apprehend the socio demographic characteristics and the ethical perceptions of these selected accountants that affect

their decision-making process in carrying out their professional duties. Both online and traditional questionnaires were used. Online questionnaires have an advantage over the traditional questionnaire because it is considered inexpensive, faster and reliable (Uyar and Güngörmü, 2011). Drop and pick approach was used for the traditional questionnaire. The questionnaires were pre-tested to ensure consistency, validity and reliability.

3.5 Instrument and Design

According to Cohen et al. (2007) a questionnaire is a widely used and useful instrument for collecting survey information, providing structured, often numerical data, being able to be administered without the presence of the researcher, and being comparatively straightforward to analyse. The questionnaire was in five sections.

Section 1: Demographic Factors

Section 2: Personal Values

Section 3: Ethical Perception

Section 4: Ethical Perception (Scenario)

Section 5: Ethical Decision

The importance of how the personal values of accountants and their effect on ethical perception in decision making was examined. A structured instrument containing fourteen items, divided into four groups viz, Objectivity – 3; Integrity – 3; Honesty – 4; and Self – Control – 4 were adopted from Alleyne et al.,(2003) with measurement of 7 – point Likert scale ranging from “Of no importance” (coded 1) to “Completely important” (coded 7) with higher scores on the scale indicating the importance of accountants personal values on ethics and lower scores indicating the

least importance of accountants personal values on ethics. This measurement of personal values was used by Akaah and Laud (1994).

An ethical perception of what accountants considers ethical and unethical was also examined. This contained eight (8) items and was adopted from Alleyne et al., (2003) as well as from Akaah and Laud (1994). 7 – point Likert scale was used ranging from “Highly Unethical” (coded 1) to “Highly ethical” (coded 7).

A scenario-based questions on ethical perception with 8 items and ethical decision of how accountants agree or disagree on certain ethical decisions were all examined which were adopted from Keller et al., (2007).

3.6 Pre-testing of the instruments

The questionnaire was pre-tested with fifteen (15) accountants’ through random selection to substantiate the strengths and the weaknesses of the instrument. Observed gaps identified after pre-testing was addressed appropriately to finally make the instrument more reliable and usable. The more pre-testing and the well-structured questionnaire does not guarantee consistency, validity and accuracy in study; however, it increases the likelihood of correcting any possible errors, making the instrument more useful. Nonetheless, some potential problems may not become obvious after piloting until the larger scale study is conducted.

3.7 Analysis of Data

Data analysis was done using statistical packages including Statistical Packages for Social Sciences (SPSS) and Smart PLS (Partial Least Square) of the Structural Equation Modelling (SEM). This software has been used extensively in quantitative research studies. The analysis therefore, was a multivariate data analysis, confirmatory factor analysis and structural equation

modelling using Smart PLS. Descriptive statistics was used to summarize data where results were presented in tables, graphs, percentages, and frequencies.

3.7.1 Ethical Perceptions and Demographics of Accountants That Influence Decision-Making

To analyze how statistically an accountant's demographic characteristics, influence his/her decision-making process, the Structural Equation Modelling (SEM) technique was employed in the statistical analysis. The study was an Exploratory Factor Analysis (EFA) approach used as a technique in the early stage analysis to explore the interrelationships among the variables the study wants to use.

3.7.2 Structural Equation Model Specification

Structural Equation Modelling (SEM) is a statistical process which can be used to test measurement, functional, predictive and causal hypothesis (Bagozzi & Yi, 2012). Also, Byrne (2016) defines SEM as a statistical methodology that takes a hypothesis testing approach to conduct a multivariate analysis. Structural equation model uses the different types of models to show the relationships among observed variables by providing the test of the theoretical model hypothesized by the researcher (Lomax & Schumacker, 2012). One of the basic goals of conducting SEM is to determine the extent to which the researcher can determine how the theoretical model is supported by sample data. So, the SEM can be used as a multivariate tool to test the relationships between one or more independent variables as against one or two dependent variables.

The current study adopts the use of Smart PLS- SEM based upon the findings provided by (Lomax & Schumacker, 2012) that Smart PLS-SEM is preferred by many researchers. The researchers

suggested that there are four main reasons why SEM is preferred and these include; the use of multiple observed variables to explain a particular scientific direction, SEM gives a greater recognition of validity and reliability of observed scores from measurement instruments, SEM can analyze more advanced theoretical models and the user-friendly nature of software's that can run the structural equation modelling test, for instance, AMOS, LISREL and Smart PLS. Again, Bagozi and Yi (2012) outlined some advantages researchers can have when they employ SEM. They stated that SEM provides an integrative function, it helps researchers to become more precise in the specification of hypothesis, it takes into account reliability issues, it also suggests novel hypothesis originally not considered and it is useful in survey for cross-sectional and longitudinal studies. The use of SEM helps to determine the impact, independent variables have on the dependent variables within a fully specified model (Byrne, 2016). SEM allows the researchers to examine more than one regression relationship at a time. This also helps the study to achieve its purpose of understanding the effect social media engagement has on word of mouth and purchase intention of customers of fashion products.

Structural equation modelling is widely distinguished in two parts that are the one-stage and two-stage approach (Hair et al., 2010). The one stage or single stage approach according to (Lomax & Schumacker, 2012) combines the measurement model and the structural model and analyzes them simultaneously. The two-stage approach separates the measurement model and the structural model estimation. The study adopted the two-stage model where the first face of the research model will be tested and confirmed then the structural model will be developed. This is in agreement with the assertion of (Kline, 2015) that all the correlations between the constructs must be estimated for, before the structural model is tested. The measurement model of the study is therefore tested using the Smart PLS to confirm the model fit using Confirmatory Factor Analysis

(CFA). That is using the confirmatory approach, we test our developed hypothesis based on the theoretical model the study is based upon.

Again, the study tests how well there is a good fit for the model to be generated. The study chooses to explore on some key fit indices that helped conceptualize the model fit for the study. There are basically two assumptions that are considered when conducting a model fit and these are comparative fit and absolute fit. The comparative fit checks for other models that may best describe the observed variables or dataset. Some criteria within this type of fit include Normed Fit Indices (NFI), Comparative Fit Indices (CFI) and Relative Non-centrality Index (RNI). According to (Hair et al., 2014), some of the criteria for identifying absolute fit includes chi-square (χ^2), Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), Root-Mean-square Residual (RMR) and Root-Mean-Square-Error of Approximation (RMSEA). These indices were applied in the analysis of the data. The acceptable thresholds for these indices are as follows: Root Mean Squared Error of Approximation ($RMSEA \leq 0.08$), Goodness of Fit Index ($GFI \geq 0.90$), Normed Fit Index ($NFI \geq 0.90$) and Comparative Fit Index ($CFI \geq 0.90$) (Bagozzi & Yi, 2012; Hu & Bentler, 1999).

Table 3.1: Description of Indicator variables, Measurement and a priori expectation

Explanatory Variable	Measure	a priori expectation
Gender	1 = Male, 0 = Female	+/-
Age	Years	+
Work Experience	Years	+/-
Education Level	1=Diploma, 2=Degree 3=Masters,4=Chartered Accountants	+/-
Ethical Workshop	1 = Yes, 0 = No	+/-
Religious	1 = Yes, 0 = No	+/-
Objectivity	Scaled	+/-
Integrity	Scaled	+/-
Honesty	Scaled	+/-
Self-Control	Scaled	+/-
Ethical Perception	Scaled	+/-
Ethical Decision	Dependent	+/-

Source: Authors Construct (2019)

3.7.3 Research Hypothesis

H1: There exist a positive relationship between accountant's demographic characteristics and his/her ethical perceptions on decision making

H1: There exist a positive relationship between accountant's personal values and his/her ethical perceptions on ethical decision-making process.

Variables to be used to test the acceptance or rejection of the hypothesis include; gender, Age, Level of education, work experience and personal values be it objectivity, integrity, honesty and self-control.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter consists of the analysis and discussion of the data collected from selected accountants in accounting firms in the Greater Accra region. For the purposes of this study, socio-economic characteristics variables of accountants were gathered from some selected accounting firms where the respondents are employed in the Greater Accra region. This chapter presents data analysis, results and discussions on accountant's demographic characteristics and personal values and their influence on ethical decision-making process. The study used descriptive and inferential aspects of statistical analysis in arriving at the conclusions presented.

4.2 Demographic Characteristics of Respondents

Table 4.1 shows the details of the frequencies and percentages of the key demographic characteristics (gender, age, educational level, etc.) of the respondents. The study sampled a total of 162 accountants, out of which 112 representing 69% were males whiles 50 representing 31% were females as presented in Table 4.1. It is revealed in this study that the proportion of male accountants considered for the study is more than the females.

Table 4.1: Demographic Characteristics of Respondents

Variable	Frequency	Percentage
Gender		
Male	112	69.1
Female	50	30.9
Age		
26-30	17	10.5
31-35	67	41.4
36-40	42	25.9
40+	36	22.2
Level of Education		
Diploma	1	0.6
Degree	50	30.9
Masters	21	13.0
Chartered Accountant	90	55.6
Working Experience in Years		
1-5 years	108	66.7
6-10 years	31	19.1
11-15 years	10	6.2
16-20 years	7	4.3
20+ years	6	3.7
Workshop		
Yes	132	81.5
No	30	18.5
Are you religious		
Yes	145	89.5
No	17	10.5
Source: Survey data (2019)		

The ages of the respondents for this study were categorized into age groups as presented in Table 4.1. However, frequency analysis showed that 10.5% of the respondents had age between 26 to 30 years. About 41.4% being the majority were found within the range of 31 to 35 years.

Religion

Moreover, the status of respondents with respect to their religion were identified as graphically shown in Figure 4.1 as majority of the respondents were more religious by faith than those who

were not religious. Frequency analysis showed that 145 out of 162 of the total respondents representing 89.5 percent of the respondents were religious by faith.

Figure 4.1 is a respondent/accountant religious?

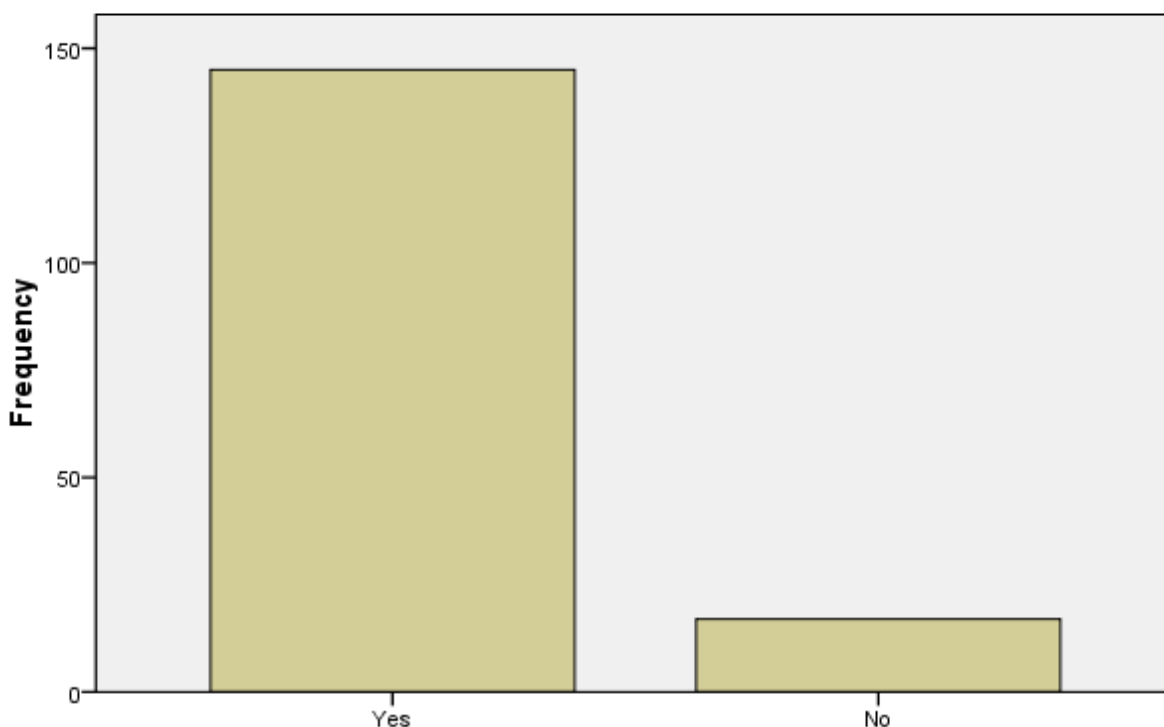


Figure 4.1: Is a respondent/accountant religious?

Level of Education

The level of education of respondents were examined and was observed to be quite higher in terms of the various qualifications at which respondents were having as accountants. Results presented in Table 4.1 revealed that majority of the respondents of about 90 representing 55.6% were chartered accountants followed by first degree qualification holders of about 50 representing 30.9%. About 21 of the respondents of 13% were masters' degree holders' whiles one of the respondents of 0.6% was a diploma in accounting. The higher level of education of the sampled

respondents is deemed useful for making policy decision out of the finding from the data analysis for any implication.

Working Experience in Years

The study assessed respondents' years of working to capture their level of experience as working accounting professionals. Results presented in Table 4.1 indicated that most of the respondents of about (108) 66.7% were having years of working experience between 1 to 5 years. Quite a few of them of 6 represented as 3.7% were having above 20 years of work experience. Respondents who had worked for 6 to 10 years were about 19.1% while those who have worked for 11 to 15 years were about (11) of 6.2% out of the totaled sampled respondents.

Workshop

The study sought to identify the proportion of respondents who attended working or training programmes. The response was put into Yes or No format. Results presented in Table 4.1 showed that, out of the 162 total sampled respondents, the proportion of those who indicated that they have attended training workshop were 132 represented as 81.5% while those who never attended workshop on any accounting ethics course or seminar were 30 represented by 18.5% respectively. It is revealed that majority of the respondents have engaged or participated in training workshop on ethical perception and decision regarding accounting professions for once or multiple occasions as they carry on their duties.

4.3 Descriptive Statistics on Indicator Items

The study used mean and standard deviations in analysis of the indicator items considered for the study. Based on the mean scores of the various indicators considered for the study, results in Table 4.2 revealed that ethical perception (mean score = 0.339 with standard deviation of 0.111), Objectivity (mean score = 0.212 with standard deviation of 0.126 units) and Integrity (mean score = 0.188 with standard deviation of 0.136) were the key personal values that affect ethical perception at a greater magnitude as presented in Table 4.2.

Table 4.2: Descriptive Statistics on Indicator Items of Ethical Decision

Variable	Mean Statistic	Std. Deviation
Integrity	0.188	0.136
Ethical Perception	0.339	0.111
Honesty	0.120	0.084
Objectivity	0.212	0.126
Self-Control	0.076	0.076

Source: Survey data (2019)

Composite values are calculated based on the weights of the factor loadings.

4.4 Structural Equation Modelling

The study examines multiple dependence relationships simultaneously. The dependent variable, as well as the independent variables, are latent constructs measured with some observed variables.

Structural equation modelling (SEM) is a collection of several statistical techniques including factor analysis and multiple regression that allows the simultaneous assessment of multiple

dependence relationships (Hair, Black, Babin, Anderson, & Tatham, 2009). SEM is useful for testing and potentially in confirming theories. Unlike multiple regression, SEM acknowledges the error in measuring the constructs and accounts for these errors as well as reduces the overall error associated with the model (Astrachan, Patel & Wanzenried, 2014).

There are two approaches to SEM: covariance-based SEM (CB-SEM) and partial least squares SEM (PLS-SEM). Hair et al. (2009), give some rules of thumb for the choice between CB-SEM and PLS-SEM. When the objective of the study is to test or confirm a theory, PLS-SEM is the more appropriate. If the objective, on the other hand, is to predict a relationship or to develop a theory, CB-SEM may be used, all other things being equal. If the model contains a formative construct, PLS-SEM should be used (Chin, 1998). CB-SEM is relatively restrictive, in that it requires observed variables to be normally distributed. It also requires that observations be independent of one another and variable metrics must be uniform. CB-SEM assumes normality of distribution of the observed variables and requires large samples. PLS-SEM, on the other hand, is the best alternative when observed variables are not normally distributed. It should also be the choice when dealing with relatively small samples.

Tests for normality of distributions proved that the data is not normally distributed. The partial least squares technique was thus used to analyze the data. In PLS-SEM, measurement errors are corrected. An additional advantage is that it can handle more complex models. Considering that

the observed variables are not normally distributed, and the model contains a formative construct, the choice of PLS-SEM is justified as more appropriate.

PLS contains two types of models; the measurement model and the structural model (Hensler et al., 2009). The measurement model defines the relationship between the indicators and the latent construct. It is also known as the outer model. The structural model defines the relationship between the latent constructs based on which hypotheses are tested. In our structural model, there are five latent constructs; integrity, ethical perception, honesty, objectivity and self-control.

Based on how the relationship between the indicators and the latent variable are modelled, two types of latent constructs are identified; formative construct and reflective construct. Formative constructs are multidimensional; the indicators represent different dimensions of the construct. Changes in any of the indicators may affect the construct. The variance in the construct is explained by the variances in the indicators, implying that causality flows from the indicators to the construct. Basically, what this means is that the indicators form or create the construct. In drawing the measurement model for formative constructs, the arrows point from the indicators to the latent variable. In reflective constructs, however, arrows are drawn from the latent construct to the indicators. Each indicator is a valid measure of the construct, making the construct internally consistent. For this reason, the indicators are considered interchangeable. Simply put, they portray the qualities of the construct. For this study, all constructs are formative. Though the EFA revealed

five different dimensions of perceived fairness, each dimension is treated as a different construct and run in different regression models.

According to Hair et al. (2009) analyzing data with SEM consists of six main steps. The first step is to define the individual constructs; the second step is to define the measurement model. The next stage is to design the study to produce empirical results; the fourth stage is to assess the validity of the measurement model; the fifth step is to specify the structural model, and the final step is to assess the validity of the structural model. In assessing the model, we adopt the two-step SEM process as recommended by Hair et al. (2009). This involves initially assessing the measurement model for validity and reliability before proceeding to validate the structural model. The structural model is assessed after the measurement model has satisfied all conditions for validity and reliability.

4.5 Assessing the Measurement Model

The method of assessing the measurement model is dependent on whether the model is formative or reflective. Before proceeding to assess the structural model, the measurement model must be judged against some quality benchmarks to ascertain its validity and reliability. For reflective constructs, four main criteria are used to validate the measurement model. These are an assessment of internal consistency, indicator reliability, convergent validity and discriminant validity.

4.5.1 Internal Consistency

Internal consistency measures the extent to which a set of indicators measure the same construct by testing the correlations among the indicators of a construct. The traditional measure of internal consistency is Cronbach's alpha. However, in PLS, the preferred measure is the composite reliability (CR) (Chin, 1998). According to Hair et al. (2009), CR value must be greater than 0.7 to constitute adequate internal consistency. They opine that a CR value between 0.6 and 0.7 may be acceptable, provided all the other indicators are good. Any CR value less than 0.6 is considered as failing the test of internal consistency. In this case, the measurement is said to lack reliability (Nunnally & Bernstein, 1994).

For this study, internal consistency is judged by the Composite Reliability. The test for internal consistency for the model confirmed that all indicators are internally consistent. In some of cases, one of the indicators of ethical decision were dropped because it poorly loads on the construct. The results of the test of internal consistency for the model is shown in Table 4.3.

Table 4.3: Composite Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Ethical decision	0.708	0.794	0.441
Ethical perception	0.945	0.956	0.736
Honesty	0.744	0.835	0.560
Integrity	0.845	0.906	0.763
Objectivity	0.805	0.884	0.717
Self-control	0.790	0.856	0.604

Source: Data collected (2019)

4.5.2 Convergent Validity

This is a measure of the extent to which variance in a set of indicators is explained by a single construct, or extent to which a set of indicators share a proportion of variance (Hair et al., 2009). It is measured by the Average Variance Extracted (AVE), whose sufficient value must be equal to or greater than 0.5. The AVEs for the various constructs are shown in Table 4.3, together with the composite reliabilities. From the table, all the AVEs are above 0.5, hence convergent validity is achieved.

4.5.3 Indicator Reliability

This measures the relative relevance of each indicator in the measurement of the construct. It is measured by the value of the indicator loadings and their statistical significance. The indicator loadings are calculated by the basic PLS algorithm. A summary of the indicator loadings and their statistical significance are shown in Table 4.4. A good standardized loading estimate should be equal to or greater than 0.70 (Hair et al., 2009). Hair et al. (2009) however recommend a minimum

value of 0.5; loading below 0.5 are candidates for deletion especially when constructs are reflective. The statistical significances of the loadings are determined by bootstrapping. At the very least, the indicator loadings must be statistically significant at $\alpha = 0.05$.

The indicator loadings and their statistical significance are presented in Table 4.4. The significances are indicated by the stars. All loadings below 0.5 were dropped. From the table, all the loadings are above the threshold of 0.5 and significant. We, therefore, conclude that all the indicators in the model have passed the test of reliability; thus reliable.

Table 4.4: Outer Loadings and Significance

Construct of Items	Original Sample (O) Loadings	Sig. P Values
Ethical Decision		
ED11	0.792***	0.000
ED2	0.638***	0.000
ED5	0.494**	0.025
ED6	0.626***	0.003
ED7	0.732***	0.000
Ethical Perception		
EP1	0.782***	0.000
EP2	0.890***	0.000
EP3	0.559***	0.000
EP4	0.948***	0.000
EP5	0.868***	0.000
EP6	0.937***	0.000
EP7	0.934***	0.000
EP8	0.875***	0.000
Objectivity		
PT01	0.836***	0.000
PT02	0.822***	0.000
PT03	0.882***	0.000
Honesty		
PTH1	0.733***	0.000
PTH2	0.821***	0.000
PTH3	0.700***	0.000
PTH4	0.734***	0.000
Integrity		
PTI1	0.878***	0.000

PTI2	0.847***	0.000
PTI3	0.895***	0.000
Self-control		
PTSC1	0.578***	0.002
PTSC2	0.844***	0.000
PTSC3	0.781***	0.000
PTSC4	0.870***	0.000

***Significant at 1%; **5%

Source: Field survey (2019)

4.5.4 Discriminant Validity

This shows how different a construct is from other constructs in the model. It ensures that indicators do not measure another construct aside what they are intended to measure (Urbach & Ahlemann, 2010). High discriminant validity is an indication that a construct captures some phenomena that other constructs in the model do not (Hair et al., 2009). It is evaluated by the cross-loadings (Chin, 1998) and Fornell-Larcker (Fornell & Larcker, 1981). With the cross loadings, an indicator should load better on its construct better than any other construct in the model. With Fornell-Larcker, the AVE of two constructs must be greater than the squared correlation between those constructs (Hair et al., 2009); in other words, the square root of the AVE must be greater than the correlation between the constructs. Table 4.5 shows the Fornell-Larcker results; the cross loadings are presented in Table 4.6.

Table 4.5: Fornell-Larcker Criterion Results

Construct	Ethical decision	Ethical perception	Honesty	Integrity	Objectivity	Self-control
Ethical decision	0.664					
Ethical perception	-0.317	0.858				
Honesty	0.405	-0.386	0.748			
Integrity	0.418	-0.445	0.670	0.873		
Objectivity	0.364	-0.371	0.495	0.592	0.847	
Self-control	0.248	-0.296	0.498	0.556	0.298	0.777

In Table 4.5, the square roots of the AVEs are shown on the diagonals; the figures below the diagonals are the correlations between the constructs. From the table, all figures on the diagonals are greater than the figures beneath them, which is an indication that discriminant validity is assured.

Table 4.6: Cross Loadings of Indicators on Constructs

Indicator	Ethical decision	Ethical perception	Honesty	Integrity	Objecti vity	Self- control
ED11	0.792	-0.330	0.384	0.341	0.257	0.199
ED2	0.638	-0.168	0.458	0.385	0.252	0.205
ED5	0.494	-0.100	0.062	0.146	0.168	0.143
ED6	0.626	-0.120	0.068	0.214	0.225	0.036
ED7	0.732	-0.206	0.208	0.251	0.309	0.200
EP1	-0.320	0.782	-0.363	-0.335	-0.297	-0.140
EP2	-0.363	0.890	-0.329	-0.396	-0.357	-0.186
EP3	-0.060	0.559	-0.205	-0.254	-0.146	-0.405
EP4	-0.282	0.948	-0.345	-0.472	-0.364	-0.316
EP5	-0.335	0.868	-0.415	-0.434	-0.349	-0.255
EP6	-0.239	0.937	-0.317	-0.368	-0.336	-0.298
EP7	-0.248	0.934	-0.338	-0.411	-0.353	-0.282
EP8	-0.225	0.875	-0.285	-0.331	-0.270	-0.243
PTO1	0.242	-0.346	0.378	0.459	0.836	0.190
PTO2	0.373	-0.240	0.422	0.439	0.822	0.191
PTO3	0.333	-0.336	0.461	0.592	0.882	0.361
PTH1	0.381	-0.353	0.733	0.581	0.444	0.423
PTH2	0.283	-0.323	0.821	0.547	0.397	0.434
PTH3	0.315	-0.226	0.700	0.393	0.304	0.301
PTH4	0.189	-0.197	0.734	0.423	0.281	0.273
PTI1	0.428	-0.398	0.665	0.878	0.549	0.491
PTI2	0.328	-0.334	0.496	0.847	0.476	0.385
PTI3	0.337	-0.425	0.583	0.895	0.521	0.561
PTSC1	0.259	-0.105	0.342	0.266	0.085	0.578
PTSC2	0.122	-0.303	0.404	0.531	0.301	0.844
PTSC3	0.210	-0.178	0.365	0.384	0.160	0.781
PTSC4	0.260	-0.258	0.446	0.468	0.286	0.870

Source: Computed from data collected (2019)

The results indicated that all the indicators have stronger loadings on their constructs compared to any other construct in the model. This provides another evidence that the test for discriminant validity has been passed.

4.6 Assessing the Structural Model

After verifying the validity and reliability of the measurement model, the structural model was also tested. The first test was for multicollinearity. This test was to ensure that the constructs in the model are not correlated, as this would increase the error in estimating the effects of each construct. Multicollinearity is evaluated by the Variance Inflation Factor (VIF) which has an upper limit of 10. From Table 4.7, the VIF values in all the models are below 10. The highest VIF from the table is 2.465 for an integrity in the model. The results presented in Table 4.7 prove that the model is free from the problem of multicollinearity.

Table 4.7: Inner VIF Values

Construct	Ethical decision	Ethical perception
Ethical decision		
Ethical perception	1.000	
Honesty		1.954
Integrity		2.465
Objectivity		1.592
Self-control		1.519

4.7 Empirical Results from PLS-SEM

4.7.1 Individual Factors and Personal Values that influence Ethical Decision of Accountants

Gender:

In analysis of the respondent's individual factors like gender, the PLS-SEM results as presented in Table 4.8 show that a male accountant has greater level of integrity than female thus its degree of importance of integrity on ethics with regards to decision making is higher than that of the female. Regarding the various personal traits/values, there was a significant relationship between male accountants and ethical perception at 1 percent level than females. However, male accountants per the p-values as presented in Table 4.8 show highly significant relationship between objectivity and ethical decision-making process.

Table 4.8: Gender on the Ethical Perception and Ethical Decision-Making Process

Construct	Path Coefficients		P-Values	
	Original (Female)	Original (Male)	(Female)	(Male)
Integrity -> Ethical Perception	-0.087	-0.258	0.648	0.144
Ethical Perception -> Ethical Decision	-0.143	-0.486	0.607	0.000
Honesty -> Ethical Perception	-0.078	-0.065	0.642	0.513
Objectivity -> Ethical Perception	-0.303	-0.356	0.353	0.005
Self-Control -> Ethical Perception	-0.110	-0.063	0.668	0.494

Age:

Age group of accountants per the p-values as presented in Table 4.9 show highly significant relationship between ethical perception and ethical decision-making process. The p-value for the age (31-35) is less than 0.05 which means it is significant at confidence level of 95%. Therefore, older accountants are more likely to have good ethical perception that would influence their ethical decision-making process than younger accountants.

Table 4.9: Age on the Ethical Perception and Ethical Decision-Making Process

Construct	Path Coefficients		P-Values	
	Original (26-30)	Original (31-35)	(26-30)	(31-35)
Integrity -> Ethical Perception	0.007	0.523	0.962	0.114
Ethical Perception -> Ethical Decision	0.220	0.619	0.245	0.006
Honesty -> Ethical Perception	0.164	0.109	0.261	0.547
Objectivity -> Ethical Perception	0.287	0.278	0.024	0.248
Self-Control -> Ethical Perception	0.085	0.211	0.515	0.129

Religion:

Analysis of group indicator on the Smart PLS result as presented in Table 4.10 reveals that accountants who were more religious had positive and significant relationship between integrity as personal trait and ethical perception than respondents who were not religious. Moreover, results revealed that respondents who were religious had a positive and significant relationship between their ethical perception and ethical decision-making process than respondents who were not religious. The observation made here is that perhaps religious doctrines, faith and teachings inhibits good morals on accountants who are religious therefore leaving positive impact or influence on their ethical perception and overall professional duties.

Table 4.10: Religion on the Ethical Perception and Ethical Decision-Making Process

Construct	Path Coefficients		P-Values	
	Original	(Not	Original	(Not
	Religious)	(Religious)	(Not	(Religious)
Integrity -> Ethical Perception	0.145	0.259	0.545	0.068
Ethical Perception -> Ethical Decision	0.529	0.319	0.392	0.001
Honesty -> Ethical Perception	-0.305	-0.146	0.391	0.101
Objectivity -> Ethical Perception	-0.226	-0.146	0.422	0.276
Self-Control -> Ethical Perception	-0.523	-0.006	0.017	0.935

Source: Computations from data collected (2019)

4.7.2 Test of Hypothesis on Personal Values that influence Ethical Decision of Accountants

The study subjected to set hypothesis based on the objectives of the study to statistical significance test where empirical decision to accept or reject formulated hypothesis were considered based on the significant p values.

The results of the analysis of the structural model outer loadings are presented in Table 4.11. It contains results from the model considered for the study. The results of the hypotheses testing are discussed in the subsequent sections. In the table, the path coefficients which define the

relationships between the dependent and independent constructs are shown in parenthesis below the p values in the tables above.

Table 4.11: Outer Loadings of Indicators or Items on the Measure of Accountants Values

Indicators	Ethical decision	Ethical perception	Objectivity	Honesty	Integrity	Self-control
ED11	0.792					
ED2	0.638					
ED5	0.494					
ED6	0.626					
ED7	0.732					
EP1		0.782				
EP2		0.890				
EP3		0.559				
EP4		0.948				
EP5		0.868				
EP6		0.937				
EP7		0.934				
EP8		0.875				
PTO1			0.836			
PTO2			0.822			
PTO3			0.882			
PTH1				0.733		
PTH2				0.821		
PTH3				0.700		
PTH4				0.734		
PTI1					0.878	
PTI2					0.847	
PTI3					0.895	
PTSC1						0.578
PTSC2						0.844
PTSC3						0.781
PTSC4						0.870

Source: Computations from data collected (2019)

Results per graphical representation in Figure 4.2 show indicators that were significant and otherwise with their directions. Based on the results, the null hypothesis is rejected. There exist

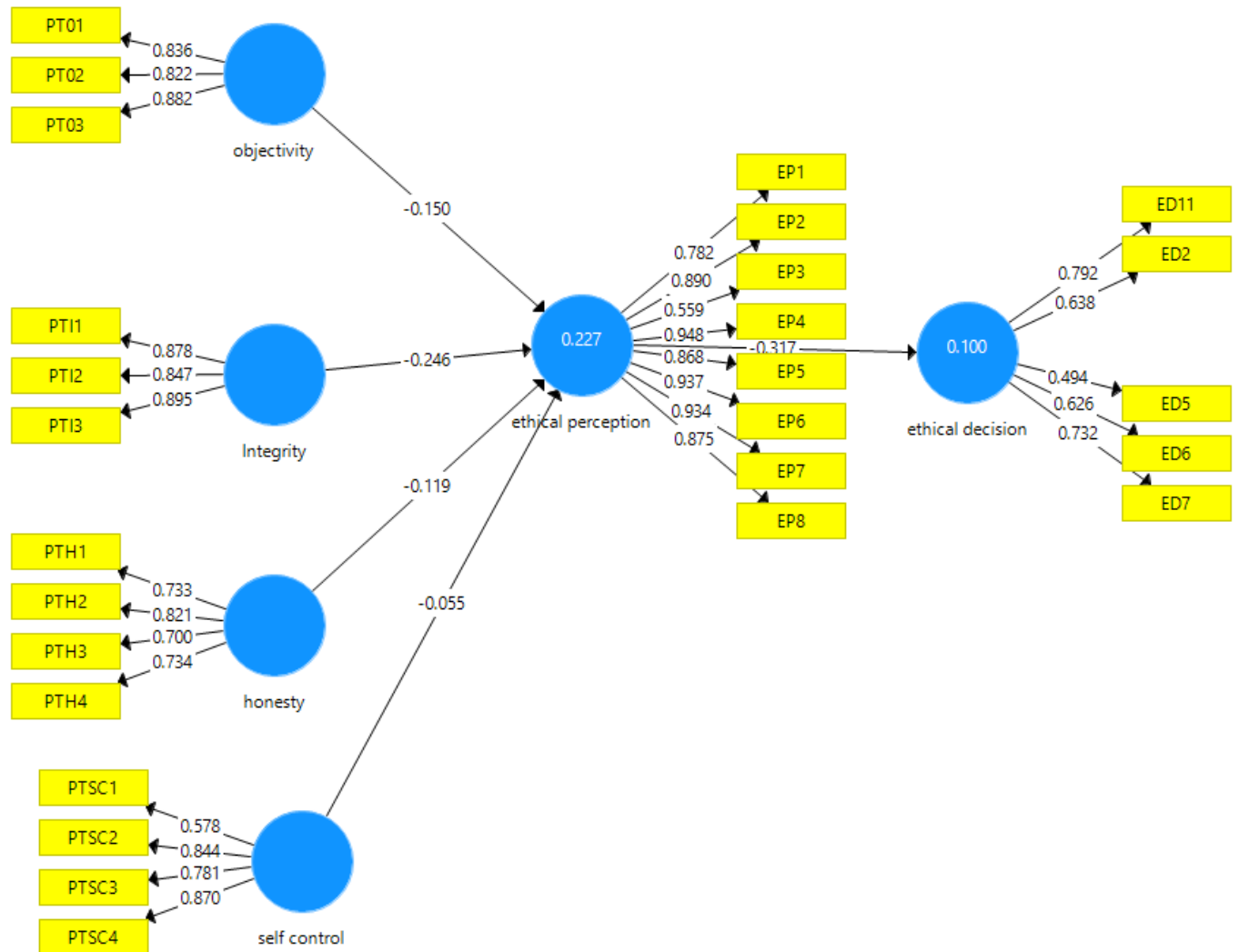
positive and significant relationship between objectivity, integrity, honesty, self-control and ethical perception.

Next, the coefficients of determination (R^2) of the endogenous constructs were assessed. R^2 measures the total variance explained in relation to the total variance of the construct, an indication of the predictive power of the constructs (Sarstedt et al., 2014). An R^2 of about 0.67 is considered substantial; 0.333 is average; 0.19 and below is weak. The R^2 of the main dependent variable (ethical decision) for the model (0.100) and R^2 for the next dependent variable or model (0.227) indicate that the constructs have average predictive power.

Finally, the dependence relationships hypothesized by the model were empirically tested (Urbach & Ahlemann, 2010). This was done by examining the statistical significance of the path coefficients at $\alpha = 0.05$ and their directions. The statistical significances of the coefficients were obtained by bootstrapping. A path coefficient with a value 0.1 was considered nontrivial (Huber et al., 2007) at a confidence level of $\alpha = 0.05$.

Moreover, there exist positive and significant relationship between ethical perception and ethical decision. Based on the significant levels of the loadings of outer paths of ethical decision, some items (ED1, ED3, ED4, ED8, ED9 and ED10) were removed where better results were obtained per the results of the model diagnostic fitness. Results show that when accountants consider the personal values such as; objectivity, integrity, honesty and self-control, there would be better influence positively on the ethical perception and subsequently on decision-making process. Graphical representations of the model are shown in Figure 4.2 below.

Figure 4.2: Graphical representations of the SmartPLS Structural Equation model (SEM)



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusions and recommendations for the study. The summary conclusions are based on the major findings of the study. Recommendations have been suggested based on the major findings for policy implications.

5.2 Summary

The study was conducted on accountants in the accounting firms in the Greater Accra Region. The objectives of the study were; to investigate the ethical perceptions of accountants in Ghana and evaluate the influence of some individual factors (i.e. gender, age, religion, work experience, education) that can influence their ethical decision-making and the degree of importance in which some personal values influence ethical perception of these accountants in their decision-making process. And to prove whether the influence of these factors is statistically significant in decision making. The study was a cross-sectional conducted, which employed a well-structured questionnaire with 162 accountants as respondents for the study. Data analysis was done using statistical packages such as SPSS version 17 and Smart PLS.

The study employed descriptive and inferential statistical methods including frequency analysis, percentages, mean, standard deviation, tables and charts in the analysis of the set objectives. The Smart PLS structural equation modelling (SEM) was used to estimate factors or personal values that influence ethical decision-making process.

The study sampled a total of 162 respondents, out of which 112 representing 69% were males whiles 50 representing 31% were females. About 41.4% being the majority were found within the

range of 31 to 35 years. The general model diagnostic statistics showed R^2 of the main dependent variable (ethical decision) for the model (0.100) and R^2 for the next dependent variable or model (0.227) which revealed that the constructs have average predictive power. Smart PLS structural equation modelling (SEM) results showed that there exist positive and significant relationship between objectivity, integrity, honesty, self-control and ethical perception.

5.3 Conclusions

The study concludes that, with the respondent's individual factors like gender, the PLS-SEM results show a male accountant has greater level of integrity than female. Regarding the various personal factors, there was a significant relationship between male accountants and ethical perception at 1 percent level than females. Moreover, male accountants show highly significant relationship between objectivity and ethical decision-making process.

Age group (31-35) of accountants show highly significant relationship between ethical perception and ethical decision-making process. It is concluded that, older accountants are more likely to have good ethical perception that would influence their ethical decision-making process than younger accountants.

Moreover, results revealed that respondents who were religious had a positive and significant relationship between their ethical perception and ethical decision-making process than respondents who were not religious. Perhaps religious doctrines, faith and teachings inhibits good morals on accountants who are religious therefore leaving positive impact or influence in their perception and overall professional duties.

The study concludes that there exist positive and significant relationship between objectivity, integrity, honesty, self-control and ethical perception. Moreover, there exist positive and significant relationship between ethical perception and ethical decision.

5.4 Recommendation

Based on the findings and conclusions of the study, the following policy implications have been suggested.

It is recommended that socio-economic characteristics including accountants' gender, age, religious status, work experience and education be given more attention by institutions in developing appropriate ethical curriculum since these demographics statistically influence individuals ethical decision-making process.

Since there exist positive and significant relationship between objectivity, integrity, honesty, self-control and ethical perception as well as ethical perception and ethical decision. It is recommended that accounting bodies and firms paid more attention to those personal values qualities and develop appropriate ethics training for their employees and all accountants in order to maximize productivity at various workplaces.

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APPENDIX

Questionnaire

ETHICAL PERCEPTIONS OF ACCOUNTANTS IN GHANA: THE INFLUENCE OF INDIVIDUAL FACTORS AND PERSONAL VALUES

This survey is part of a study that will help to ascertain whether individual factors and personal values affect accountants' ethical perception in making decisions. I therefore, humbly crave your indulgence and request your maximum support in filling this questionnaire to enhance this report.

Thank you.

SECTION 1

DEMOGRAPHIC FACTORS

1. Gender (Please tick ✓)

Male		Female	
------	--	--------	--

2. Age (Please tick ✓)

Less than 18		18-25		26-30		31-35		36-40		40+	
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3. What is the name of your employer

4. How long have you worked as an Accountant? (Please tick ✓)

1-5 years		6-10 years		11-15 years		16-20 years		Over 20 years	
--------------	--	------------	--	-------------	--	-------------	--	---------------------	--

5. What is your highest academic qualification? (Please tick ✓)

Diploma	<input type="checkbox"/>	Degree	<input type="checkbox"/>	Masters	<input type="checkbox"/>
Chartered Accountant	<input type="checkbox"/>				

Others Specify.....

6. Are you working for? (Please tick ✓)

A Private Sector Company	<input type="checkbox"/>	An Accounting Firm	<input type="checkbox"/>	Public Sector	<input type="checkbox"/>
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7. Have you ever had any workshops presented on ethics at your workplace? (Please tick ✓)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

8. Are you religious? (Please tick ✓)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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SECTION 2

PERSONAL VALUES

Kindly use the scale in the table below to rate the degree of importance in which the following personal values influences ethical perception of Accountants. A scale of 1 to 7 is used where **1** represents **Of no importance** and **7** represents **Completely important**. Please tick (✓).

OBJECTIVITY	1	2	3	4	5	6	7
How is standing firm in taking ethical decisions important to you							
Is it important for accounting information and financial reporting to be independent and supported with unbiased evidence?							
Accountants should not promote favoritism, show conflicts of interest or undue influence of others to override business judgment.							
INTEGRITY	1	2	3	4	5	6	7
Adhere to strict ethics and integrity standards when dealing with personal and company information.							
Report unethical behavior or practices without fear of retaliation.							
Senior management must take appropriate action upon unethical or inappropriate behaviors and practices.							
HONESTY	1	2	3	4	5	6	7

To what extent is never cheating or having anything to do with cheating, even for a friend important to you.							
One should always tell the truth even though it may hurt one's self or others.							
One must speak his/her mind truthfully without regard for the consequences.							
One should volunteer information concerning wrongdoing even if a friend is involved.							
SELF-CONTROL	1	2	3	4	5	6	7
Never express anger even when you have the reason for doing so.							
It is good to practice self-control.							
Never lose your temper no matter the reason.							
It is better to reply anger with gentleness.							

SECTION 3

ETHICAL PERCEPTION

The following are fundamental values or Guides for conduct. Please rate your ethical perceptions of such conducts on scale of 1 to 7 where **1 represents Highly Unethical and 7 represents Highly Ethical**. Please tick (✓).

	1	2	3	4	5	6	7
Doing personal business on company time.							
Falsifying time/quality/quantity reports.							
Calling in sick to take a day off.							
Authorizing a subordinate to violate company rules.							
Accepting gifts/favors in exchange for preferential treatment.							
Passing blame for errors to an innocent co-worker.							
Pilfering company materials and supplies.							
Concealing one's errors.							

SECTION 4

ETHICAL PERCEPTION (SCENARIO)

The following scenarios are used to determine the ethical perception of certain business practices.

Kindly answer each scenario, the three questions provided in order to know your ethical perception. Please tick (✓). Thank you.

Scenario 1:

A manager realizes that the projected quarterly sales will not be met and that he/she will not receive a bonus. If a customer order is shipped early, it will ensure the quarterly bonus with no effect on annual sales.

Action: The manager ships the ordered product this quarter to ensure earning a bonus.

Question:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is the action morally right or wrong?	Right	<input type="checkbox"/>	Wrong	<input type="checkbox"/>

Scenario 2:

A promising start-up company applies for a loan at a bank. This company's short credit history does not meet the bank's normal lending criteria. The bank credit manager is a friend and golfing partner of the company's owner.

Action: The credit manager approves the loan.

Questions:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is the action morally right or wrong?	Right	<input type="checkbox"/>	Wrong	<input type="checkbox"/>

Scenario 3:

Because of an economic recession, management realizes the company must downsize. A long-term employee with a history of absenteeism owing to illness in the family is the most likely to be terminated.

Action: The manager lays off a younger but very competent recent hire rather than the long-term employee with a history of absenteeism.

Questions:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is the action morally right or wrong?	Right	<input type="checkbox"/>	Wrong	<input type="checkbox"/>

Scenario 4:

The first responsibility of a newly promoted product manager is to sell a new, highly successful small kitchen appliance. Her salary bonus is based on the product sales. She discovers that the product has insufficient product testing to meet safety guidelines. So far, all testing has indicated no safety problems.

Action: The manager authorizes the promotion and selling of the product.

Questions:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Is the action morally right or wrong? Right [] Wrong []

Scenario 5: A salesperson with two small children has been promoted to a job that demands extensive travelling. He charges personal items to the company expense account because these trips are frequent and inconvenient to his family life; this is a common practice.

Action: The new salesperson charges \$50.00 for family gifts on expense account.

Questions:

Is the action ethical? Yes [] No []

Would you do this yourself? Yes [] No []

Would your peers do it? Yes [] No []

Is the action morally right or wrong? Right [] Wrong []

Scenario 6: A CEO instructs the financial controller to reduce the estimate for unrecoverable debt to increase reported income. The CEO argues that this is common industry practice during hard times. Historically, the company has made very conservative allowances for doubtful accounts, even in bad years.

Action: The controller makes the adjustment.

Questions:

Is the action ethical? Yes [] No []

Would you do this yourself? Yes [] No []

Would your peers do it? Yes [] No []

Is the action morally right or wrong? Right [] Wrong []

Scenario 7: A local company manager eager to increase business abroad has been requested to make an undisclosed cash payment to a foreign distributor. The payment is recorded as ‘goodwill gesture’ to allow the company to introduce the product in the foreign market. This is considered

normal practice and is not illegal in that foreign country.

Action: The local manager authorizes the payment.

Questions:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is the action morally right or wrong?	Right	<input type="checkbox"/>	Wrong	<input type="checkbox"/>

Scenario 8:

A small business owner in financial difficulty approaches a long-term friend to copy a database Software program that will increase future sales. The software retails for \$500.00.

Action: The friend provides a copy of the software package.

Questions:

Is the action ethical?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would you do this yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Would your peers do it?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is the action morally right or wrong?	Right	<input type="checkbox"/>	Wrong	<input type="checkbox"/>

SECTION 5

ETHICAL DECISION

The following are intended to identify the outcomes of your ethical perceptions as an Accountant in making decisions at your workplace. To what extent do you agree or disagree that you use the following approaches in resolving ethical dilemmas. Scale: **1 - Strongly Disagree and 7 – Strongly Agree. Please tick (✓)**

	1	2	3	4	5	6	7
I take into consideration the impact the decision will have on the people affected and choose what seems so be right for most of them.							
There is truth contained in a company's records. It is my duty to reflect the truth no matter the consequences.							
Accounting and Ethics are not related							
As accountant I expect to rarely if ever be confronted with ethical questions. Accounting is about truth not ethics							
The ethical questions that confront most accountants could be simplified, or even eliminated, if they would just follow GAAP.							
My only ethical duty as an accountant is to present the truth as the company's records and the evidence dictates							
I follow rules that are set down, like laws or GAAP, and seek for rule to govern all ethical situations							
What is best for the greatest number of people is ethical							

My ethical judgment is based on what is good for me							
What is best for me is what I will always choose							
Accountants should have an ethics course as part of a qualification that would help all employees solve moral and ethics issues facing the accounting profession and business community in general.							