

Studying the Influential Factors on Ethics in Accounting and Auditing Regarding Personal Dimensions

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Abstract: The purpose of this study is to explore the concepts and theories of professional ethics in accounting and to present a general viewpoint toward them. This library-based study tried to investigate previous domestic and foreign studies on ethics and professional ethics regarding individual and organizational dimensions, particularly in accounting. Through the connection of the concepts, a theoretical framework was presented based on different dimensions of ethics. The findings of the study indicate that personal and professional factors affect the ethics of accountants in accounting workplace. Furthermore, the results show that despite the emphasis of researches on the influence of ethics on the efficiency and effectiveness of the accountants and auditors performance as well as needing a coherent code of ethics in all dimensions of accounting, no considerable effort has been made in order to develop professional ethics except for some branches such as independent auditing. Thus, by the end it is suggested that through the collaboration of university and professional associations in accounting and other related fields and by doing comprehensive and interdisciplinary researches to accomplish an inclusive code of ethics for the entire fields of accounting, an ethical integrity is achievable.

Key words: Professional ethics, ethics in accounting, social traits, demographic characteristics, intelligence

INTRODUCTION

One of the goals of establishing any profession is to serve the society and accordingly, accounting is no exceptions in this regard. The basic purpose of accounting is to present information about an individual or an organization's financial affairs in the form of financial reports that are used in the decision making process of managers, owners, government, unions, creditors, suppliers of goods and the staff of companies. Professional accountants are regularly encountered with various situations which require significant ethical judgments and if they have immoral behavior in such situations, they can gain substantial personal benefits. Nowadays the society is experiencing a growth in its expectations about accounting and auditing. The rise of these expectations requires the accountants to present their professional services beyond the code of professional conduct. Following moral issues in ethics is not that much easy for the accountants. Several factors can influence the accountants decision making. Kim remark several factors at work in the accountant's

decision-making among which one can point to personal characteristics and attitudes. Studies have revealed that influential factors on ethics can be classified in three levels as macro-level, organizational and individual level. Up to now, features such as cultural factors, economical factors, technology, legal factors, workplace, international environment and the government have been reported as influential variables on ethics in the macro-level. In the organizational domain, ethics expresses the opposition between the economic performance (revenues, expenses and income) and the social performance (the undertakings of the organization inside and outside). Internalizing ethics in the organizational level is a way to improve the quantity and quality of the organization's activities, immunization of occupation and society, opposition to the moral and financial deviations of the staff, paying attention to human dignity and human resources, fair observance of laws and regulations, creation of dynamics in the organization and employing the staff according to legal principles. Internalizing ethics in organizations is an approach to improve job satisfaction, the quality of life and the standards based on which an organization

works. In individual level, one can name factors such as family trainings, personal beliefs, personal attitudes, self-recognition and self-control. The collection of an individual's values, makes up his value system. To a more or less extent such factors are congruent and they generally make up the individuals reactions towards different issues. At work, the collection of such values is represented through ethics which can lead to the individual's success, efficiency and satisfaction as well as improving the profession if the influential factors on ethics are recognized and strengthened. Individuals are one of the most important assets of any organizations in a way that even numerous developments, invention of software and robots and industrialization of affairs could not replace the role of human beings in workplace. As far as accounting needs a great level of skill, accuracy, morality and personal potentials in this study the researchers are to analyze the influential factors on ethics regarding personal dimensions.

ETHICS

Ethics is defined as a society's norms and value rules reflected in the individuals of that society (Rawls, 1975). In other words, ethics is explained as how to live and what is right and what is not. Ethics deals with actions, analysis and behavior. Ethics has normalization and imperative aspects as well as positive aspects.

The term ethics occasionally refers to temperament, habitual behavior and disposition. In Oxford Dictionary, ethics is defined as moral principles that govern a person's behavior or influences it. Furthermore, ethics is a branch of philosophy which deals with moral principles (Hornby *et al.*, 1974). The philosophy of ethics includes philosophical discussions concerning ethics which covers three different domains:

- Meta-ethics
- Normative ethics
- Applied ethics

Professional ethics is considered as a subdivision of applied ethics. Professional ethics is defined as performing the ethical codes, norms, principles and organizational culture and norms of a particular profession. Nowadays, professional ethics and its existence in an organization is considered significant since it causes a competitive advantage, efficiency, development, occupational satisfaction and commitment (Atakan *et al.*, 2008). Effects and advantages of professional ethics have attracted the attention of

numerous organizations including accounting and auditing organizations. In the following, professional ethics is explained further and their necessity according to other researchers is discussed.

ETHICS AND ITS NECESSITY

Ethics refers to occupational operations within the framework of moral principles. Exercising social responsibilities of an organization includes an aspect of ethical principles. Some researchers believe that the functional values of a profession in an organization are associated with ethics. Having ethics, values and proper moral principles, the staff will come to the understanding that their notional as well as their occupational improvements require ethics.

In the accounting, the same as every other profession, ethics is of high importance. Accounting is considered as a link in a chain which forms an organization or a company and due to the type of the organization or company (providing services, manufacturing or being industrial) as well as its size, it plays a functional role in these centers. Whatever is obtained as an output in an accounting process is financial statements used by individuals outside and inside the organization. Ethics, according to its constituent variables such as honesty, integrity, transparency, responsibility, confidentiality, objectivity, impartiality and respect have positive effects on to the accounting process and the preparation of financial statements in such a way that the quality of these outputs depends on the commitment to professional ethics (Cron, 1984).

ETHICS IN ACCOUNTING

Ethics and professional conduct are very significant in accounting. Without the acceptance and the trust of the users, services provided by accountants are futile. Trusting the services, depends on the trust to the provider of the service and that in itself depends on the integrity and adherence to the ethical principles. Due to the crucial role of accounting in economical and social developments of the society and correspondingly because of the importance of accurate information for investors and creditors, ethics in accounting is considered as a central element.

After the financial scandal and the collapse of major corporations of the world in recent years, professional

accountants and independent auditors were accused. This happened because the questions popped up in public minds that if accountants are responsible for providing useful, accurate and reliable information and if auditors are responsible for reviewing the quality, efficacy and accuracy of the information, why such events occur. Hence in recent years, more than before, studying and reforming the accounting and auditing issues, particularly following professional ethics in an international scope, were emphasized (Ibid).

ACCEPTED ACCOUNTING ETHICAL PRINCIPLES

In 1988, American Institute of Certified Public Accountants (AICPA) presented the accounting ethics common in almost every accounting association which helps fulfilling the goals of the profession as it follows:

Integrity and objectivity: Professional accountants must be honest in performing professional services.

Professional caring and qualification: Professional accountants must perform professional services with care, aptitude and diligence. The professional accountants are constantly bound to keep their knowledge and professional skill in a level that they can make sure that their services are acceptable and performed based on the latest developments in the profession and its laws and regulations.

Confidentiality: Professional accountants must pay attention to the confidentiality of the information they receive in the process of performing their professional services. Besides, they must realize that they cannot use or reveal any of these information without precise authorization from their clients; only if they have the legal or professional right to reveal the information.

Independence: When the independent professional accountants accept the responsibility of a work which requires professional reporting, they should be devoid of any gaining or interests that might influence or seems to influence their honesty, impartiality and independence. Professional independent accountants are divided into the following categories:

- Natural persons or the institutions that provide professional services
- Partners or owners of auditing institutions
- All the managers and professional staff that are involved in a work that requires professional reporting

The conflict of interests: Professional accountants are usually encountered with the conflict of interests during the process of performing professional services. The conflict of interests might have different forms from very minimal instances to the complicated ones such as cheating and illegal actions.

INFLUENTIAL FACTORS ON ETHICS

According to the above-mentioned basics and studies of the researchers, the importance of ethics in an organization is apparent. The existence of ethics leads to progress, appropriate ambiance, constructive energy and reduction of tensions and threats concern individuals and the organizations. Therefore, the need for influential factors in formation of ethics in workplace is felt. According to the previously done researches, it can be presumed that in the formation of organizational ethics, individual, organizational and ultra-organizational factors are involved (Lam and Shi, 2008).

Individual factors (micro-factors): Such factors include personal morality, personal beliefs, family trainings, individual attitudes and social relationships.

Organizational factors (intermediate factors): This includes organizational rules and laws, organizational culture and organizational structure.

Ultra-organizational (macro-factors): These factors include government, economical conditions, social factors, political environment, workplace environments and the international environments which cause ethical management orientation and subsequently make the ethical management practical and functional in the organizations.

Influential factors on ethics in the individual dimension: A set of influential factors on ethics are minor or in an individual level. Having staff following ethics and organizational values is not only a reason of superiority of an organization over another but is also considered as a sustainable competitive advantage for many organizations. In fact, today's successful organizations are having skillful, committed and moral staff.

According to the previous studies, influential factors on ethics in an individual level can be categorized in three levels:

- Intelligence
- Social characteristics
- Demographic characteristics

THE IMPACT OF INTELLIGENCE ON ETHICS

There have been numerous definitions for the term ‘intelligence’ in psychology. What is interpreted as intelligence in public minds is the logical intelligence which refers to the computational mind of individuals and their power of logical thinking. Due to their analytical power, smart people have greater information processing capabilities as well as a more appropriate decision-making ability (Perkins, 1985).

Pioneer studies in the field of multiple intelligences reveal that different types of intelligence exist, having developed relatively independent from each other and the highest level of which is spiritual intelligence. According to some researchers, various types of intelligence exist, including:

Physical intelligence (PQ): This type of intelligence includes skillful abilities of controlling body movements as well as abilities of using objects.

Logical intelligence (LQ): Logical intelligence is associated with our logical and linguistic skills and it is used in educational system more than any other types of intelligence.

Emotional intelligence (EQ): Emotional intelligence assists us in communicating and in social relations and in specific conditions it suggests the appropriate reaction.

Cultural intelligence (CQ): Cultural intelligence consists of the perception and understanding of intercultural interactions which lead to the formation of coping skills and demonstration of behaviors which can be effectual in intercultural or multi-cultural situations.

Spiritual intelligence (SQ): Spiritual intelligence includes internal guidance, wisdom, sanity, inner and outer peace, gentility and kindness and the ability of obtaining a power that helps us fulfill our dreams.

General intelligence (GQ): General intelligence is the ability to attract and adapt individuals to new environments. In the following paragraphs, the researchers are going to present extended explanations for some of such intelligences.

Emotional intelligence is rooted in the concept of social intelligence. Social intelligence represents the individual's ability of understanding and managing in human relations. In the early 1980s researchers began presenting a systematic definition for emotional intelligence. Emotional intelligence is a form of social

intelligence which represents the ability of controlling your emotions as well as that of others and distinguishing them and using such information in order to guide thinking and action (O'Boyle *et al.*, 2011). In other words, emotional intelligence is the ability to handle temperament, mental status and the control of tensions. It is indeed a factor that at the time of failure in achieving goals gives hope and motivation to individuals. Goleman's Model of emotional intelligence capabilities is described as the following:

- Self-consciousness: the ability to understand one's emotions, strengths and weaknesses
- Self-management: the ability to manage one's moods, tensions and internal capabilities
- Social awareness: the ability to understand individuals and groups properly
- Relationship management: the ability to create favorable reactions in others (Sims and Kroeck, 1994)

The degree of emotional intelligence determines the potential ability to acquire functional skills. Those who are more intelligent in terms of emotional intelligence are optimistic and have a feature that enables them to focus on solutions rather than causes. Since, working in an organization has its own problems, it may lead to feelings of frustration and failure. Individuals with high emotional intelligence know that the organization is not responsible for all their unpleasant feelings. When these types of people are in a positive emotional state, they are capable of controlling negative emotional modes which are of destructive impact. They are likewise capable of avoiding dysfunctional emotions (Kumar and Sharma, 2012). Accounting and auditing are among those professions that require a lot of energy at workplace. Having a good and vivacious mood at work can have positive effects on the staff himself and those around him. Those with greater abilities in terms of emotional intelligence can eagerly participate in such professions.

The core of cultural intelligence is the ability of individuals or social groups with different cultures. As an instance, let's consider two cities sharing the characteristic of having multiple nationalities in them. In one of the two, the people are having more social-cultural cooperation while in the other the inhabitants are facing social and cultural conflicts (Kumar *et al.*, 2008). An individual is of high cultural intelligence who have got the ability of adapting himself in an effective way with a new cultural context different from that of his own, without abandoning his cultural identity (Capatina *et al.*, 2011). Today, business has taken a big step towards globalization and this has had a significant impact on

accounting and reporting in organizations. Due to several cultural differences in order to interact with such cultures, in addition to having specific professional skills, the need of having cultural intelligence is felt as well as accepting the cultures. This is done while one maintains his/her values and cultural identity.

Current studies show that spirituality is deeply tied to intelligence so that many contemporary theorists define intelligence in terms of spirituality. Since, spirituality and spiritual intelligence play a major role in forming an individual's values and attitudes, the study of this concept in organizations is of high necessity because the individuals go to workplace with more than their body and mind; they bring their unique spirit to work. So that one of the main tasks of spiritual leaders is to create psychological comfort for staff at work and then raise such a comfort to a higher level. According to some researchers, spiritual intelligence is defined as the ability to behave with knowledge and compassion while having inner and outer peace, regardless of events and circumstances. In here, 'regardless of events' implies that we can remain peaceful even under the greatest pressures with the help of spiritual intelligence. This definition shows that individuals within spiritual intelligence at the time of judgment have the ability to conduct a fair and compassionate behavior. Spiritual intelligence has the term 'spiritual' in itself which implies the force that gives life to a system. Researchers have introduced some features for spiritual intelligence which reflect the complexity of human nature and its spirituality.

Moral intelligence refers to the fact that we intrinsically are not born moral or immoral, rather, we learn how to be good. According to some researchers, characteristics of the principles of moral intelligence are sympathy, self-control, respect and care, kindness, patience and fairness. Some other researchers have mentioned integrity, responsibility, compassion and forgiveness as the principles of moral intelligence. According to what was mentioned as the concepts of moral intelligence and according to the theories of the researchers, possibly one of the most important factors affecting performance and ethical decisions of the accountants is moral intelligence since that is consistent with individuals' values and beliefs. Our decisions, thoughts, actions and emotions have a background rooted in ourselves. Therefore, accountants with high spiritual intelligence frequently seek to provide creations, new attitudes, more operative approaches and create opportunities to progress in their workplace.

General intelligence is the ability to attract and adapt individuals with their environment. Entering a new environment, individuals attempt to get information with

that. Attraction is the individual's reaction towards a new environment. In here, it implies the speed of getting familiar and his power of analyzing the environment and his adaption that is effect an individual has or receives from the environment. General intelligence can be described as an individual's set of skills and personality characteristics. The greater the speed and accuracy in this identification, the higher general intelligence the individual has and in fact with accurate evaluation of self and environment, therefore, he will be capable of establishing an effective communication with the profession. Accounting is used in many commercial environments, each of them having their own unique special features and based on these features they require different levels of skills, personality traits and communication skills. For instance, the degree and the type of skills that accountants need in manufacturing and industrial environments are different from the needs of an institution which provides services. Therefore, concentrating on this type of intelligence in accountants and their being in an environment commensurate with their abilities or the accountants and auditor's ability of attraction and adaption can have a significant impact their efficiency and effectiveness (O'Boyle *et al.*, 2011).

THE IMPACT OF SOCIAL CHARACTERISTICS ON ETHICS

Beliefs, personality and moral values of an individual are the results of an integrated conceptual system or in simpler terms, an individual's moral philosophy. A person's moral philosophy or moral ideology is a factor in explaining differences in moral judgment. Moral philosophy is defined as the extent that a person can be an idealist or a relativist. Hence, moral philosophy of individuals is divided into three categories of idealism, relativism and Guanxi orientation.

Idealism: Idealism is defined as the importance of an individual's decisions on the welfare and happiness of others. Those individuals who are very idealistic believe that their behavior and decisions must have positive consequences and following a way that may have unfavorable consequences for others is always wrong. On the other hand, those individuals who have weaker idealism do not believe that their actions and decisions must always have positive consequences; therefore, in order to achieve a better situation than before, they accept unfavorable consequences.

Relativism: Relativity of moral principles means that cultures and sub-cultures (such as country, tribe, class,

etc.) determine moral principles. In general, relativism encompasses a range in which an individual based on his trust and reliance on his analysis of personal views of situations, avoids obeying moral principles that are favored by the society. An individual with relativist moral orientation, initially evaluates his decisions based on situations and then based on the acceptable laws (Forsyth, 1992).

Guanxi orientation: Guanxi orientation is a concept deeply rooted in the Chinese confucian culture. Thus, in order to understand it better, one must be familiar with its appellation. As far as there existed irregularities in the traditions and the legal system of feudalistic China to have businesses without concern, it was essential to have a good relationship with the officers of the government affairs. Such a relation was called Guanxi. This word has been translated as “relation” in various dictionaries. But Guanxi is a network of relationships in which friends are inside and the others are located outside. Therefore, this system is a highly selective and discriminative system with its own rules. Guanxi orientation has considerably attracted the attention of researchers so that a number of articles have been published in the field of business ethics (Su *et al.*, 2003). Ang and Leong designed a questionnaire containing nine questions in order to evaluate the tendency towards Guanxi oriented behavior. This questionnaire has similarly been used by other researchers (Ang and Leong, 2000).

TYPES OF ETHICAL ATTITUDES AND THEIR IMPACT ON ACCOUNTING AND AUDITING

The type of moral attitudes of individuals towards accounting would be detected based on their personal philosophies. A researcher, having identified nine philosophies of business, points out this subject in his book. Thenceforth in another research based on these nine philosophies, a five-dimensional model called ATBEQ was presented in order to examine the ethical attitudes of business. The five dimensions of ATBEQ model are: Machiavellianism, social Darwinism, moral relativism, legalism and moral objectivism (Begeac *et al.*, 2011). This model has widely been used in the literature in order to examine the auditors' ethical attitudes. Ethics is essentially a framework for guiding human behavior and it is associated with principles that attempt to distinguish right from wrong. Ethics in accounting is likewise potentially relevant to all types of decisions that require a balance among different aspects of economical, technical, psychological, social, political, aesthetic and spiritual values. Individuals

consider different values for any of these cases and this depends on each individual's philosophy which directly or indirectly affects their decisions.

Machiavellianism is rooted in the ideas of Niccolo Machiavelli. Machiavellianism is a personal behavior that can be a persuasive manner in order to accomplish one's goals. Individuals with high level of Machiavellianism may conduct aggressive behavior, trafficking and diversion in order to achieve personal and organizational goals or they may have a small amount of attention to the welfare of people around themselves. Machiavellian people do not care about conventional moralities and are generally known as immoral people (Valentine and Fleischman, 2003).

Social Darwinism has been shaped based on the theory of natural selection which is also known as struggle for survival (Hudson, 2000). A moral principle pays much attention to the condition and situation while moral relativism refers to the application of ethical principles in a particular situation. Moral relativism negates having a moral framework or using universal ethical principles in dealing with a moral issue.

Legalism basically puts much emphasis on law while it is ignoring the purpose of law (Cheung and Chan, 2005). Legalism supports such values as equality, honesty and welfare for people (Oumlil and Balloun, 2009).

Moral objectivism is the opposite point of Machiavellianism. In this court, the world is not against the moralities and based on that moral realities are independent of our beliefs and approaches. According to this concept, an individual is bound to obey ethical codes in order to achieve prosperity in life. For that reason such moral codes are prerequisites in achieving success and personal goals (Bageac *et al.*, 2011).

In their research, Etemadi and Dianati Deylami studied, the effects of financial managers' moral perspectives on the quality of the companies' financial reporting. The findings of the research showed that moral views of managers have impact on the quality of their financial reporting. Furthermore, idealism has significant positive effect on the quality of financial reports. The researchers, based on the responses of senior accounting students, realized that there is a relation between the students' moral orientation and their moral decisions. The findings revealed that students with a higher level of idealism are more willing to make moral decisions while students with a higher level of relativism were less inclined to moral decisions.

In another research, Douglas studied the relation between the auditor's ethical orientation and their ethical decisions based on some imaginary moral positions about auditing. The findings showed that higher degrees of

idealism are more dependent on ethical decisions but no important relationship was found between relativism and ethical decisions (Douglas *et al.*, 2001). Other researchers such as Au and Wong also studied the existing relationship among cognitive moral growth, Guanxi orientation and ethical decisions of professional auditors of Hong Kong when faced with ethical dilemmas. The findings showed that the impact of Guanxi orientation in ethical decisions depends on the cognitive moral growth. Particularly, auditors with lower degrees of cognitive moral development and higher degrees of Guanxi orientation are less likely to make ethical decisions, while auditors with higher degrees of cognitive moral development and lower degrees of Guanxi orientation are more likely to make ethical decisions (Au and Wong, 2000).

Liu conducted a research in order to examine the impact of personal values and Guanxi orientation on ethical intentions of professional Chinese auditors. The findings of his research showed that professional Chinese auditors with higher degrees of Guanxi orientation in their decisions when facing an ethical dilemma are more inclined to immoral behavior.

In Malaysia, Uswati and Prihatin tried to anticipate ethical intentions of accounting students who were willing to work as an auditor and concluded that ethical beliefs of the students of the study were under direct impact of idealism and idealism similarly directly affects their ethical intentions.

Other researchers began to study this issue to determine whether there exists a positive (negative) correlation between relativism (idealism) and profit management or not. The findings of their researches showed that the ethical dimension of individuals, i.e., their being idealist or relativist affects their decisions and the way they perform the tasks assigned to them. This is the way that individuals with more idealistic ethical dimension in comparison with relativists are less likely to manipulate profit figures of the company. Moreover, Rafik (2002) declares that ethical dimensions of individuals (relativism vs. idealism) must affect commercial decisions, such as profit management. He came to this conclusion that individuals with idealistic moral views are reluctant in managing the profit since it compromises the interests of the shareholders consequences of opportunistic and immoral profit management thus, they avoid it. But those individuals with relativistic views, instead of thinking about the possible negative impacts of a decision, pay attention to situations and those who are in the very situations. The relativists have more optimistic views towards opportunistic behavior in profit management compared with idealistic individuals (Rafik, 2002). In a

research entitled as “Ethical Ideology and Ethical Judgment in the Portuguese Accounting Profession”, researchers came to this conclusion that less-experienced auditors have more tendency towards relativistic orientation (Marques and Azevedo-Pereira, 2009).

THE EFFECT OF DEMOGRAPHIC CHARACTERISTICS ON ETHICS

The factors of demographic characteristics can be pointed as the following:

- Gender
- Age
- Level of education
- Job experience
- Place of growth
- Religion

Many studies show the impact of these factors on ethics. Gupta conducted a research in order to study the impact of age, gender and the accounting student's average on their ethical behavior. As a result of such a research, they concluded that when accounting students encounter an ethical dilemma, although, they seem to believe in ethical behavior as a matter of fact they do not. Other findings show that ethical choices of accounting students are not under the influence of their gender, age and their average.

Gender: The findings of various researches (Tronto, 1993; Glover *et al.*, 1997; Roxas and Stoneback, 2004) have shown that one cannot accept definite distinction between man and woman in ethical attitudes. On one hand, there are some researches that show women are essentially more ethical than men on the other hand there are some other researches that do not approve the existence of such a differences. Regardless of differences in beliefs, it seems that many researchers emphasize on the impact of gender on ethics (Tronto, 1993). Other studies have emphasized the differences of ethical attitudes between men and women and suggested that women have higher levels of ethics compared to men (Glover *et al.*, 1997; Roxas and Stoneback, 2004). In another research in Turkey which was about the factors that influence ethical perceptions and attitudes of accounting students, it was concluded that female accountants are more sensitive to ethical issues and they are of more training orientation and responsibility compared to the male counterparts. Similarly, another study on the factors affecting ethical perceptions and attitudes of accountants in China and Hong Kong,

concluded that unethical behavior among accountants in Hong Kong has had lower acceptance among women, while in China, this impact was not statistically significant (Lam and Shi, 2008). On the other hand, sampling the students or studying the behavior of managers around the world, the evidence suggests that in different environments, industries and cultures no difference exists between men and women in ethical attitudes. To sum it up, recent studies present less certainty in the difference between men and women on this issue (Sidani *et al.*, 2009). Another explanation in this regard is the process of socialization that men and women pass in their interactions with parents and teachers and this can influence their ethical attitudes according to the different processes of socialization. Furthermore, in this context, religious and cultural backgrounds have influence on individual's ethical attitudes. In this regard, recent findings consider gender as an important factor in receiving ethical (Safakli, 2011). It is comprehensible that there is no consensus among researchers in this field while it is more emphasized gender has no influence on ethics.

Age: Some psychologists have found that age is highly correlated with ethical development (McNeel, 1994; Thoma, 1986). Older individuals are less likely to be biased (Dahl *et al.*, 1988). Age has been known as one of the most significant demographic factors which influences receiving ethical (Safakli, 2011). In contrast to these findings, there has been an inverse relationship between age and ethical behavior among accountants (Eynon *et al.*, 1997). And in another research, studying personal values of individuals, it was revealed that age is not a determining factor in ethical decision making (Glover *et al.*, 1997). Another study found a positive association between age and ethics and it was concluded that individuals who work in financial jobs, become more ethical as they get older (Peterson *et al.*, 1991). Some researchers in India studied ethical orientation of auditing managers. Their results showed as the audit managers become older, they lose their interest in personal profits more and more.

Level of education: Most studies have reached similar conclusions in studying the degree of education and ethics. The analyses show that ethical values are reduced once the level of education increases (Beggo and Lane, 1989). In general, most of the evidence mostly suggest that students of higher levels of accounting think about maximizing the profit (Peterson *et al.*, 1991). On the other hand, more education causes less enthusiasm towards ethical values and nonprofit issues. It seems that bachelor students pay more attention to personal interests and attitudes while the graduate pay more attention to

company's interests (Beggo and Lane, 1989). In a recent study, education has been known as an ineffective factor in receiving ethics (Safakli, 2011). From another point of view, postgraduate students may have more experiences than the bachelor students and since postgraduate students have seen the consequences of their unethical decisions therefore, they act more ethically (Castleberry, 2007). Likewise, other research findings suggest that having higher levels of education increases the level of social responsibility. In another research, the impact of education on the ethical perceptions and attitudes of accountants was not confirmed (Lam and Guicheng). Another research about the factors influencing ethical attitudes and perceptions of financial managers in Malaysia, verifies this point.

Job experience: Job experience is a new factor that has been taken into consideration in the researches of this field. Based on most of the evidence, having ethical attitudes towards accounting can be influenced by the process of the career. In other words, job experience can influence the ethical judgments of accountants (Weeks *et al.*, 1999). The findings of some researches emphasize that there is a difference between accounting students with and without job experiences in terms of ethical values; the students without job experiences think more ethically and idealistically (Castleberry, 2007). In a recent finding based on a research in China, job experience was known as a factor affecting ethical attitudes (Calabretta *et al.*, 2011). Furthermore, students with job experience pay more attention to social responsibility compared with no those with no job experiences (Kraft, 1991).

Place of growth: There have not been lots of studies on this factor; nevertheless, the impact of culture and environment on individuals' ethical attitudes and their behavior has been investigated and it has been suggested that environment and the background of accounting students have impact on their receiving ethics. However, in another research done in an American company of forest industry about the impact of place of growth on student's social responsibility, it was revealed that there is no difference between students grown up in rural and urban areas in terms of their social responsibility (Panwar *et al.*, 2010).

Religion: Religion has always been in the centre of attention in ethical attitudes because of the important role it has got to play. Some have studied its role on student's cheating (Allmon *et al.*, 2000), some have studied its role on business and numerous studies have studied the role of religion in promoting ethical attitudes of employees in financial affairs (Smith and Oakley, 1997; Siu *et al.*,

2000). Religion responses the question that “why should one be ethical?” and this question arises from a more crucial one, i.e., “Why do we live?” the answer of which is the existence of God (Kohlberg, 1971). Most studies have shown that being more religious consequently would lead to greater ethical attitudes in accountants. Religion promotes social cohesion and reduces the conflicts (Kennedy and Lawton, 1998).

CONCLUSION

Ethics is defined as temperament as well as the process of saying right from wrong. Ethics is an individual characteristic; however, its impact fully concerns the environment, other individuals and the surroundings. Today all human beings need each other in order to satisfy their needs and the quality and the joy of life depends on meeting such needs. In order to achieve this quality, the existence of a basis including commitment and high motivation for performing roles and responsibilities of the situations that individuals are involved in is necessary and required. What forms this basis is ethics. Due to the fact that accounting is one of the most critical jobs in providing services and financial reports and due to the existence of great expectations such as honesty, integrity, confidentiality and responsibility, it can be stated that professional ethics is significantly influential among accountants and the users of accounting information.

The goal of accounting is presenting financial reports for the external users of the organizations. Financial statements are used by investors, creditors, companies, organizations and other users, the most basic need of whom is to have accurate and thorough information to have a realistic view for decision-making which is supplied by the accountants. In such situations, if the accountants believe in their responsibilities and follow them in the best possible way and if they consider their profits in line with that of the customers, most of the economical and social problems would be solved. Therefore, devotion to such a commitment requires the internalization of the ethical values in the individuals and one of the ways for doing this is through the organizations. The findings of the present study showed that despite the emphasis of studies on the impact of professional ethics on the accountants and auditors efficiency and effectiveness on one hand and on the other hand despite the essential need for designing a coherent code of ethics in all aspects of accounting, so far, except for some branches such as independent auditing, no considerable effort has been made in extending professional ethics. Thus, the suggestion about influential factors on professional ethics in individual dimension is that organizations and their associations

should pay more attention to presenting a coherent code of ethics, in accordance with accounting. This code of ethics will be a yardstick. Teaching such codes will provide the accountants with appropriate knowledge and awareness which will consequently lead to more job satisfaction and improving their operations.

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