

## **A Study of Perception of University Teachers of Accounting and Finance and Professional Accountants on Importance of Ethics**

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### **Abstract**

*The present study is an outgrowth of the replication of a prior research study conducted by James Poon Teng Fatt in Singapore. The current study examines the validity of the same in the context of Thailand and Bangladesh both. Almost the same questionnaire was administered previously in Thailand and then recently in Bangladesh. And the survey over there in Thailand reveals the similar result as in Singapore. This study reveals that each professional is expected to possess some essential personal qualities including the sense of ethics, in particular. Likewise, in accounting as well as finance profession, the concerned people need to have some personal qualities that their employers look for. The growing concern over the ethics of professionals makes it essential to study the perceptions of university teachers of accounting and university teachers of Finance in regard to the importance of ethical values for accountants and finance managers of industrial organizations. For the purpose of the present study, a questionnaire was administered to a sample of 380 respondents in Thailand while the first author was in Chulalongkorn University, Bangkok, Thailand as a Visiting Professor of Accounting. The respondents of Thailand included Accounting students and Finance students of the said university and Thammasat University, as well as members of the public accountancy of Bangkok city. Then in Bangladesh recently a similar questionnaire was administered to 270 respondents---100 university teachers of accounting and 100 university teachers of finance of different universities located in Dhaka, as well as 70 professional accountants (chartered accountants) of Bangladesh. The questionnaires meant for the respondents of both Thailand and Bangladesh were designed to study their perception in regard to the importance of ethical virtues for accountants and finance managers serving in Thailand and Bangladesh.*

**Keywords:** Ethics, Accountants, Finance Managers, Industrial Organizations and Bangladesh.

### **Introduction**

The history of accounting and finance shows that accountants and finance managers have an obligation to the organizations they serve, their profession, the public, and the nation at large. They need to maintain the highest standards of ethical behavior. According to Bean and Bermardi (2007), ethical conduct is inherent in the practice of public accounting and a hallmark of the

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accounting professionals and financial analysts. They have a responsibility to perform their task competently and to maintain confidentiality, integrity, and objectivity. They can play a significant and positive role in helping business schools to reexamine their obligations to society and their students by actively engaging in the exchange of views by academics on the necessity for ethics education and those of professional accounting bodies.

Conventional approaches to teaching accounting education recently have been criticized for not developing students to their fullest learning potential. These days scholars are found to recommend that accounting curricula should help students develop stronger analytical, problem-solving, and judgmental skills to help prevent, detect, and deter fraudulent financial reporting. Difficult ethical issues for students are the ones in which conflicts exist between competing and legitimate alternatives. For example, one can question whether it is ethical for a firm to shut down part of its operations because a particular segment is unprofitable when allocated corporate costs are factored in (Cohen and Pant, 1989). Analysis of attitudes towards ethics in the accounting and finance professions showed that unethical dealings did exist in the accounting and finance professions (Finn et al., 1988).

According to many knowledgeable observers, the most developed countries like the USA are experiencing a shifting of values, which bring profound implications for finance and accounting profession. Public confidence has deteriorated in recent years, and the accounting and finance professions are also experiencing a confidence crisis. In a recent survey, the issues of values and ethics in the accounting and finance professions were investigated. Of the 200 questionnaires mailed, usable responses were obtained from 35 CAs and 35 finance managers. The survey involved four questions: (1) what values are important to accounts & finance executive? (2) How acceptable are accountants and finance managers of ethically questioned behavior? (3) What is the CA's assessment of the acceptance of ethically questioned behavior by other CAs? (4) What is the rationale used by CAs in making ethical judgments? Today's CAs seem to have values that are personally rather than socially oriented, and they do not seem to emphasize the values characteristic of today's society (Swindle et al., 1987).

The issue at hand is that every profession has demands for the personal qualities of its professionals. Accountants as well as finance managers need to possess certain essential personal qualities which employers look for. The question is where students including the general public have any misconceived perceptions about such personal qualities expected of accountant and finance managers. It may not be surprising to find the general perception that an accounting job is repetitive and boring. It would be inspiring if the perception that accountants and finance managers are articulate and analytical. The present paper plans study to the perceptions of university teachers of accounting and finance on the ethical values of accountants and finance managers.

As this study focuses on the perceived views of personal qualities of accountants, it may be useful to define personal qualities in terms of expectations and values. Psychologists have said that we see what we expect to see or, sometimes, that we identify rather than see. This means we have a certain pattern or expectation in our minds of the qualities of a person. This expectation lies beneath the surface of consciousness and shapes the overall orientation of the people. Because of

this expectation, we have certain beliefs on which qualities of a person are valuable. The values are often part of a larger schema of the nature of people, the world, and life. The shared values of any group constitute the norms by which that group operates. In this study, the group refers to the accountants and finance managers whose valued personal qualities can be perceived by themselves and by others.

The objective of this study is two-fold. The first objective is to study the perception of accounting students, finance students and members of the public in Thailand regarding the importance of ethics for Accounts officers and finance managers serving in the companies in Bangkok. The second one is to study the perception of university teachers of accounting (UTA), university teachers of finance (UTF) and professional accountants (PA) of Bangladesh in regard to the importance of ethics for accountants and finance managers serving in the industrial organizations of Bangladesh.

### **A Review of Related Literature**

In view of the fact that literature review helps a great deal in finding out the unexplored, uncharted and virgin areas of research, the present paper has done a bit of such work that endeavors to assess the importance of ethics in the fields of Accounting and Finance. People preparing for managerial work in the fields of Accounting and Finance are required to be rich in moral education which can tremendously help them to be on the right track in performing their functions efficiently. Ideally, moral issues arising in the business context can be paired with moral theories that seem to illuminate them.

Literature reviewed here gives sufficient attention to the value and potential importance of moral imagination in business settings. Moral imagination has only recently started to receive sustained attention from Philosophy, but a growing body of work suggests that it can produce strong positive impacts on a variety of business problems (Arnold & Hartman, 2003 and Werhane, 1998). According to Zsolnai (2004), ethics is important and relevant as well at all levels of economic activity, from the individual and the organizational to the societal and the global. The chance to improve the ethical quality of economic activities can only be taken if managers' motivation is genuinely ethical; that is, only if they want to realize ethical conduct for its own sake. Ethics is like love: only those who love their partners, executives & managers, accountants, junior officers and others associated with the company enjoy all the blessings of a loving relationship endowed with ethical virtues.

For the sake of the present study, "Ethics and the Accountant" is a most relevant literature authored by James Poon Teng Fatt (1995). The author feels that accountants and finance executive have an obligation to the organizations they serve, their profession, the public and themselves to maintain the highest standards of ethical behavior. Every profession needs special knowledge and skills, and each professional is expected to be in possession of certain essential ethical qualities including integrity, in particular. The paper spells out that educators need to consider the role of ethics in any accounting program. Accounting educators and professionals should consider it obligatory to stress the need of increased ethics education in the accounting and

finance curriculum. According to another related paper on “Ethics Regulation by the Accounting Profession” (Healy-Burress, 1992), the standard of ethical conduct has been a burning issue for several years. The paper presents the development of ethics regulation of the Accounting Profession, and culminates in a discussion of current status of the ethics requirements by each of the Boards of Accountancy of the United States. The study strongly recommends that both public and private management accountants need to strictly follow the ethics regulations for decision-making. Sen et al.’s different papers on “An Inquiry into whether there is any need for ethics education in Accounting Science” (2001), “Accounting Ethics and Neglected Sociological Dimensions”-I and II (May 2003 and July 2003), “An Analysis on Accounting Ethics and Some unattended Sociological Dimensions” (Jan-March 2005) and “Integration of Ethics into Accounting Curriculum” (2010) underscore the need for incorporation of ethics education into Accounting curriculum. In other words, each of these papers has stressed the importance of the role of ethics for accounting education.

Another related literature contributed by Lucian Cernusca is on “Ethics in Accounting: THE WORLDCOM INC. SCANDAL” (2002). The article is an endeavor to answer (i) what is ethics? (ii) What does ethics have to do with accounting? (iii) How does a scandal affect the business environment and the society? The article analyzes a “Famous” fraud scandal: WorldCom Inc. It discusses the chronology of events that lead to the Worldcom Inc. collapse and explains how the figures were manipulated for the owners’ interest and what the accounting scam was. The article speaks further about the consequences of the scandal and what the effects were on the society and business environment in general. The article also presents an evidence of the fact that WorldCom Inc. had to ultimately go for bankruptcy, which was the biggest bankruptcy, in the world. Immediately after bankruptcy, 17000 employees were laid off--almost 20% of the company’s workforce. Sullivan, the finance officer of the company was fired for his offence of withholding information during the audit. He was ultimately arrested for accounting manipulations. Controller David Myers was also arrested on the same issue. Ultimately, the lesson emerging from the article is that the accountant has to be morally and ethically sound; otherwise, law takes serious punitive measures against the person concerned for manipulation of accounts, and the scandal news of the company where he / she serves runs apace. This scandal seriously affects the business environment and society, and then the company goes insolvent. The accountant should, therefore, keep in mind that the code of ethics is a code of quality assurance. He / She should hate (from his / her heart) doing fraud. Hence, obviously, the unethical business loses its legitimacy to thrive, and its existence antagonizes the maintenance of market capitalism in an economy. Such a business is like a cancer and should be extinguished. Businesses with devastated ethics should be cleared away. Law should act bravely and decisively to fulfill its mission. These days it is felt that “different dimensions, namely social responsibility, environmental accountability and [corporate] governance must be brought under one umbrella of business ethics” (Murthy, 2007). Bagley, Clarkson and Power, in their study on “Deep Links: Business School Students’ Perceptions of the Role of Law and Ethics in Business” (2006) suggest management to link law, business and ethics to create an integrated mental model for the success of both business and society.

Researchers in some quarters argue that assumptions imbedded in the typical business curriculum might lead students to conclude that career success in business requires unethical decisions and

behavior (Kumar *et al.*, 1991). The philosophy of teaching ethics in a finance course might seem incompatible to some academics and businesspersons since instructors of finance explicitly argue that shareholders' wealth maximization is viewed as the major goal of a firm. On the other hand, a panel discussion of professors, practitioners and lawyers suggests that shareholders' wealth maximization within the finance discipline is very much in keeping with ethical behavior (Ang, 1993). Instructors integrating ethics education into finance lay emphasis that shareholders' wealth maximization cannot be achieved except by ethical behavior (Cagle and Baucus, 2006). Cagle and Baucus conclude their paper on "Case Studies of Ethics Scandals: Effects on Ethical Perceptions of Finance students" with the statement that the results of their research would hopefully encourage faculty in finance and other disciplines to incorporate ethics into their courses. Results of their study plead the use of case study method of instructing ethics in finance. In the same tune, Christopher J. Cowton in his write-up on "Banking Ethics" (a draft of a chapter going to be published as 'Banking' in *Finance Ethics: Critical Issues in Financial Theory and Practice*, which is an overview of ethics in banking) emphasizes the importance of ethics in finance (June 2010). He seeks to focus on the importance of ethics in the whole core process of financial intermediation that banks engage in through accepting deposits from savers and lending to borrowers who seek credit. The underlying idea of Sen's paper on "An Investigation into the Ethical Acceptability of Earnings Management in the context of Bangladesh" (2006) is also similar. It emphasizes the importance of ethics in the management of earnings and thus advocates the case of ethics for finance education. Again in the same vein, Duvvuri Subbarao (Governor, Reserve Bank of India) in his Keynote address at the conference on "Ethics and the World of Finance" laid emphasis on the importance of ethics in every dimension of economic life (including Accounting and Finance), not to speak of banking alone (Conference organized by Sri Sathya Sai University, Prasanti Nilayam, Andhra Pradesh, August 28, 2009). Parvez Ahmed's paper on "Integrating Ethics in Finance Curriculum" (2009) is also an important piece of literature that very well provides a pedagogical tool to integrate ethics into the finance curriculum by demonstrating to students that the pursuit of ethics is consistent with free market principles, and incorporating ethical frameworks into decision-making is most likely to serve as a useful means of achieving the fundamental financial goal of maximizing shareholder wealth.

To sum up: the above literature review clearly indicates the need for ethics in Accounting and Finance education. But no literature has been found to exist indicating the importance of ethics for Accountants and Finance as well as professional accountants managers in the context of Bangladesh. Nor has any empirical study so far appeared in literature studying the perception of university teachers of Accounting and Finance as well as Professional Accountants of Bangladesh in regard to the importance of ethics for Accountants and Finance managers. Therefore, this area of study seems to be unexplored so far in Bangladesh and hence, becomes a relevant field of inquiry and research.

## Methodology

This is an exploratory study. The methodology adopted in this paper comprises two parts: Part-I and Part-II. The Part-I refers to the methodology applied in Thailand context. This methodology is exactly the same that was adopted by James Poon Teng Fatt (1995) in Singapore context and the Part-II focuses on the methodology followed for the second part of the study based on the opinion polls in the context of Bangladesh. Here the validity of almost the same questionnaire of James Poon Teng Fatt has been examined.

Questionnaires were administered to a sample of 380 respondents. They included accounting students, finance students and public. Members of the public were assumed to have no or little accounting knowledge. The accounting students were studying accountancy and the finance students were doing major in finance. The questionnaire was designed to examine the personal qualities of accountants (see Appendix A). And three hundred and eighty persons responded to the questionnaires. They included 113 respondents from the general public, 219 accounting students, and 48 finance students.

A three-point rating scale ranging from 'least important' to 'important' was used in assessing the importance of personal qualities to an accountant. A five-point rating scale ranging from 'not important' to 'very important' could have been used to allow the respondents greater flexibility in voicing their opinions but this is not necessary as the primary aim is to identify the important personal qualities and not the varying degrees of importance. Besides, using a great range in the scale is unsuitable for the small sample size of accountants in this survey.

A Chi square test has been applied to examine if there is any significant difference in the perceived views of personal qualities by accounting students, finance students and members of the public.. The ratings are first scored as: one point for **least important**, two points for **quite important**, and three points for **important**. A t-test has been then performed on the summated rating scores across the three groups of respondents to determine if there is any difference in rating amongst them.

## Part-II

This part is devoted to the methodology adopted for the research conducted in Bangladesh perspective. One hundred university teachers of accounting, one hundred university teachers of finance and 70 professional accountants of Bangladesh were administered a questionnaire made of ten traits of ethics to assess the importance of the ethical values of accountants and finance managers. The questionnaire was designed to study the perception of university teachers of accounting and finance as well as professional accountants of Bangladesh in regard to the importance of ethics to accountants and finance managers. A five-point Likert-type scale of "Least Important", "Less Important", "Undecided", "More Important" and "Most Important" was used in this questionnaire. A Chi-square test has been applied to examine if there is any significant difference in the perceived views of university teachers of accounting (UTA), university teachers of finance (UTF) and professional accountants (PA) of Bangladesh with respect to the importance of ethical virtues for accountants and finance managers serving in the

industries of Bangladesh. A standard binominal probability test such as Z statistic has also been applied to examine whether the proportion of respondents of each group agreeing with the ethical virtues of accountants and finance managers of Bangladesh is equal to  $\frac{1}{2}$  (ie., 50% ). Needless to say, every item of this questionnaire relates to ethics.

### Discussion and Results: Part-I

This part-I's discussion and results are based on the data collected by the first author (while he was Visiting Professor of Accounting at Chulalongkorn University in Bangkok). He administered questionnaires to a sample of 380 respondents out of whom accounting students were 219, finance students 48 and members of the public 113. Here the discussion and results are limited to Thailand only.

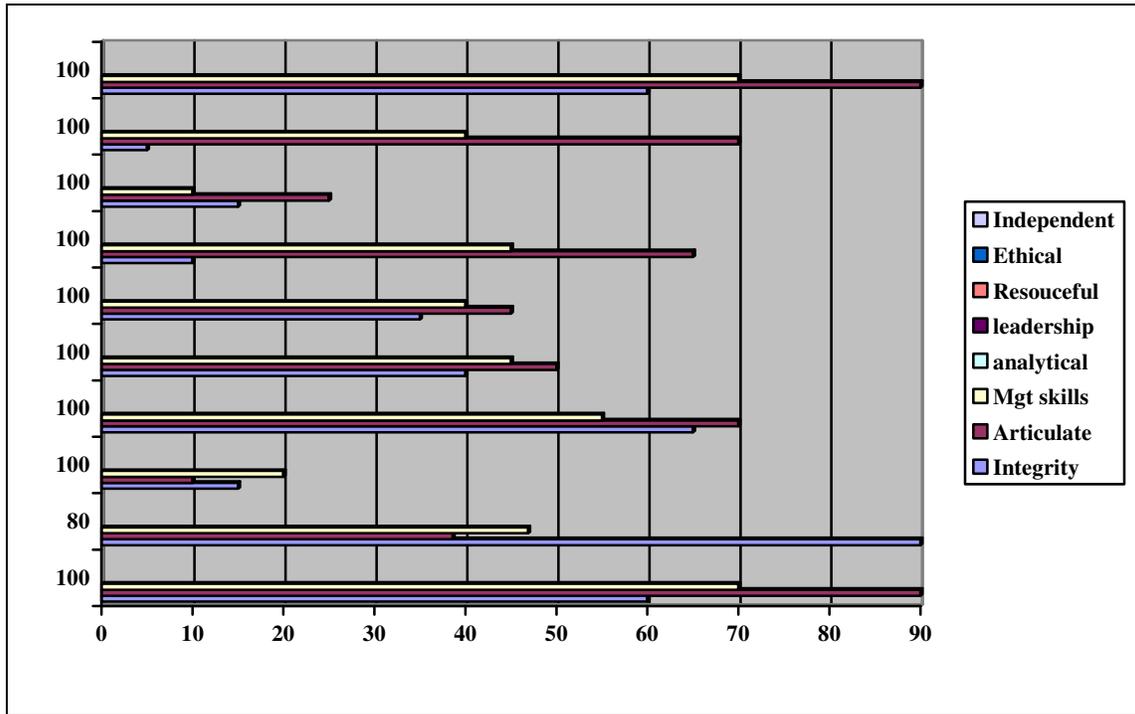
The perceived views regarding personal qualities are shown in table # 1. There are significant differences ( $\chi^2 = 156.28$ ,  $df = 14$ ,  $\alpha = 0.01$  level) in perception amongst accounting students, finance students and members of the public.

Table#1 shows that more than 50 percent of the respondents considered integrity and ethical qualities important. Of other qualities, both accounting students and finance students considered analytical quality also important. The accounting students feel that resourcefulness was also important but articulation only quite important. The finance students considered management skills and independence only quite important. The public felt that most of the qualities, apart from integrity and ethical virtues, were least important. On the whole, management skills, independence, articulation and leadership were rated less important by most respondents. A graphical comparison of the perceived important qualities is shown in Figure 1.

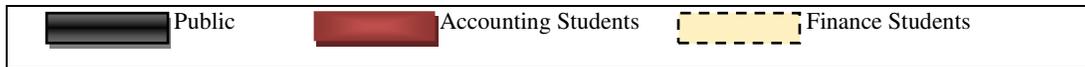
**Table#1: Perceived views on Personal Ethical qualities**

Qualities	Respondents and the importance of Ethics (%)								
	Public			Accounting Students			Finance Students		
	Least Imp	Quite Imp	Important	Least Imp	Quite Imp	Important	Least Imp	Quite Imp	Important
Integrity	12	14	74	4	12	84	01	30	69
Articulation Skill	85	15	0	33	65	02	10	48	42
Management Skills	83	08	09	53	25	22	06	90	04
Analytical Skill	86	10	04	20	14	66	04	41	55
Leadership Skill	67	23	10	53	33	14	15	47	38
Resourcefulness	54	33	13	15	18	67	22	45	33
Truthfulness	18	14	68	05	19	76	1	45	54
Independent Spirit	60	20	20	56	30	14	14	66	20

L=Least Important    Q=Quite Important    I=Important



**Figure#1 Perceived views on Personal Ethical qualities**



The summated rating scores (Refer to table#2) further substantiate the differences in ratings across the three groups of respondents: there are significant differences in rating between the public and accounting students ( $t = 2.32, df = 13, \alpha = 0.05$  level), and between the public and finance students ( $t = 4.16, df = 11, \alpha = 0.01$  level). On the whole, the average summated rating scores for the financial students and accounting students are generally higher than that for the public, adding to the disparity in perception of qualities between the public and accounting students/finance students.

**Table #2: Summated rating scores on perceived qualities**

Qualities	Public	Accounting Students	Finance Students
Integrity	1.84	2.80	2.65
Articulation Skill	1.12	1.65	2.26
Mgt Skills	1.25	1.64	1.95
Analytical Skill	1.20	2.44	2.45
Leadership Skill	1.40	1.62	2.20
Resourceful	1.64	2.46	2.11
Ethical qualities	2.41	2.65	2.54
Independent spirit	1.59	1.62	2.06

### Discussion and Results: Part-II

The discussion on the results of the entire study was divided into two parts. Part-I's discussion in the above relates to the results of the study conducted in Thailand context. Part-II now discusses the results of the study conducted in Bangladesh context. It deserves mention that in course of discussion over here, some of the information of Part-I might come here in Part-II.

Most respondents, especially the public, viewed integrity and ethical qualities as important. Such a view supports the emphasis placed on honesty as an essential quality of accountants and finance managers. According to the standards of ethical conduct for Management Accountants published by the National Association of Accountants (NAA) on June 1, 1983, management accountants and managers (finance) have a basic obligation to the organizations they serve and to the maintenance of the highest standards of ethical conduct. The standards identify four major elements of professional conduct. Among them is integrity. The others are confidentiality, objectivity, and competence (Woelfel, 1986). Accounting firm Arthur Andersen and Co. pays a close attention to sound business ethics because the profession rests on the principles of objectivity and integrity (Kullberg, 1990).

The emphasis on honesty makes the issue of ethics more important for both accounting and finance profession as accountants and finance managers are expected to be responsible in handling accounts and financial statements as well as financial decisions. The question is whether the accountant's as well as the finance manager's loyalty belongs to the individual or corporation for whom the individual is acting as an agent or to the public sector and the government. It is commonly recognized that, besides the client, the accountants and finance managers have an obligation to those who grant credit, stockholders, government agencies and the like. When conflicts of interest arise between some of these persons or entities, the accountants and the finance managers both are to decide what ethically correct is (Westra, 1986).

Accounting firm Arthur Andersen and Co. pays a close attention to sound business ethics because all professions rest on the principles of objectivity and integrity (Kullberg, 1990).

The accounting students and finance students again shared similar perception of the importance of an analytical mind. Analytical skill, according to a study sponsored by the Management Advisory Service (MAS) division of the AICPA, is one of the most frequently cited business skills that MAS practitioners need. The other technical qualities they need are: Knowledge in specialized areas, communication abilities and human resource skills (Stock and Mckell, 1987).

Students of both accounting and finance in particular, felt that resourcefulness was important. According to another survey of the Accountancy and Market and Opinion Research International. Chartered accountants are resourceful apart from being also adventurous, well paid, computer literate, dependable, and caring (O' Kane, 1989).

Most of the respondents, however, have yet to realize fully the importance of articulation, management skills, leadership, and independence in the working world.

Being articulate is important as communication for management accountant has a significant impact on management decision-making (Boyle, 1988).

In a study sponsored by the Institute of Internal Auditors Research Foundation, one of the environmental characteristics common to successful internal auditing departments is capable leadership (Stocks et al., 1988). Local accounting firms rarely survive into the second generation. To do so, they must solve the single biggest problem they will face upon the founder's death or retirement: a lack of effective leadership. Leaders who can give the firm direction and who will be acceptable to the founders must be ethically sound (Reinstein and Kushner, 1990). Leaders are required to carry out any new ideas by arguing the merits of these ideas convincingly in the financial community (Sorter et al., 1988), and to be new partners of accounting firms (McKnight, 1987). Indeed, effective leadership could be the single most important determining factor in the success of any firm. Years ago, the Chartered Accounting (CA) practice with specialized knowledge and an entrepreneurial attitude needed little management skill to be successful. Today, however, running a Chartered Accounting (CA) practice is more complex owing to competition, service diversification, technology, and pressures from regulatory agencies, self regulation, and the effects of marketing on the profession. Handling all these requires leadership (McThomas, 1987).

To be successful in today's environment, managers need to increase productivity with fewer resources. To achieve this, both managers and internal directors must have results-oriented management skills (Brathwaite, 1986). It is the development of managerial and business skills and the understanding of the organization that often mean the difference between career success and failure. Developing personnel management skills should be a priority for practice development in any growing accounting firm (Fisher, 1991). All these related literature gives support to the importance of ethics for every one engaged in industrial organizations, not to speak of accounts officers and finance managers.

### Bangladesh Perspective

In the context of Bangladesh the following twenty null hypotheses have been tested (See table#3):

**Ho-1 to Ho-10:** There is no systematic variation in responses of different expert-groups under study with respect to the importance of the following ethical virtues required of accountants and finance managers: (i) integrity, (ii) articulation skill, (iii) management skill, (iv) analytical skill, (v) leadership skill, (vi) religious instinct (vii) independent spirit, (viii) strength of mind, (ix) resourcefulness (x) truthfulness (Refer to Appendix-B).

**Ho-11 to Ho-20:** The proportion of respondents in each expert-group under study agreeing with the importance of (i) integrity, (ii) articulation skill, (iii) management skill, (iv) analytical skill, (v) leadership skill, (vi) religious instinct (vii) independent spirit, (viii) strength of mind, (ix) resourcefulness (x) truthfulness is equal to  $\frac{1}{2}$  (i.e., 50%) against the one-sided alternative hypothesis that the said proportion is greater than  $\frac{1}{2}$  (i.e., 50%).

To test Ho-1 to Ho-10, the Chi-square test of homogeneity has been used. All the null hypotheses from Ho-1 to Ho-10 have been accepted. The computed value of Chi-square in each case is lower than the critical value at 5% level for 4 degrees of freedom. An overwhelming majority of respondents (i.e. sixty to eighty percent) of respondents of all three groups of respondents (such as university teachers of accounting, university teachers of finance and professional accountants) agree with the idea that all the ten traits related to ethics are really important for accountants and finance managers serving in the industries of Bangladesh.

To test another ten null hypotheses from Ho-11 to Ho-20, the Z-test (i.e., a standard binomial probability statistic) has been applied. Test results show that all of these ten null hypotheses have been rejected. The computed value in each case (i.e., university teachers of accounting, university teachers of finance and professional accountants) is higher than the critical value at 1% level of significance. It is, therefore, evident from the test results that in each case (of respondents)  $\hat{p}$  is significantly above 50% at one-sided 0.01 level  $\Rightarrow$  Ho-11 to Ho-20 stand rejected.

Table # 3 presents the results of both Chi-square and Z tests. The test results clearly indicate that accountants and finance managers serving in the industrial organizations of Bangladesh greatly need to possess all the ten ethical virtues. This conclusion is supported by both the test results. The collected views of the three groups of respondents (such as university teachers of accounting, university teachers of finance and professional accountants) corroborate with this conclusion.





### **Concluding Remarks and Policy Prescriptions**

The foregoing discussions lead to conclude that accountants and finance managers should be ethically sound and rich in integrity. Ethics is fundamental to and relevant at all levels of economic activity, from the individual and the organizational to the societal and the global. Ethical values are the foundations on which a civilized society is based. Without them, the civilization collapses. In business, the purpose of ethics is to direct business men and women to abide by a code of conduct that enhances public confidence in their product and services. The value of ethics is thus considered. The implications arising from this study hopefully will help to arouse educators to the growing need of designing educational programs that satisfy the needs of both education and business. According to Smith and Brain (1990), business school educators can sensitize students to the kinds of ethical quandaries that will confront them in the business world and give them to think more clearly about the kinds of responsibilities and obligations individuals owe to one another in a free market economy. Despite what has been said about what accounting educators can do, practitioners in the areas of accounting and finance still need to shoulder the responsibility of ensuring that the accounting and finance professions rest on ethical principles. The public remains the best judge, true. But the fact is that all concerned including accountants and finance managers in the industrial organizations of Bangladesh need to be convinced of the merit of ethical virtues. This is what the university teachers of accounting, university teachers of finance and professional accountants & analysts strongly feel. For the success of a business, it is indispensable. Ethics is just like love: those who love their partners in the organizations and the society at large will enjoy all the blessings of loving relationships.

From the results of this study, educators may wish to consider the role of ethics in any accounting program. Accounting educators and professionals call for increased ethics education in the accounting and Finance curricula. Various commissions and accounting associations have demonstrated the need for an expansion of ethics topics in accounting and finance curricula. The following structural changes are needed to improve this situation: (1) thorough coverage of ethics in professional examinations, (2) continuing education requirements that specifically include ethics, and (3) adequate reward to encourage faculty to develop expertise in ethics and integrate it into the accounting and finance curricula (Armstrong and Mintz, 1989; Parvez , 2009; Sen, Jain and Rushdi , 2010).

Both teachers and students should use textbooks that devote more attention to ethics. Sources of materials on ethical issues can be obtained from journal articles, magazines, newspapers, codes of conduct, legal statutes, religious writings, life situations, business news, work situations and even cases written by the students themselves. Authentic samples are useful especially for case studies covering ethical aspects. Ethical behavior needs to be learned by example, precept and exhortation. However, ethics can be taught, business ethics can be integrated into accounting, finance and other business courses, including the business communication course in particular. It is in the business communication course that students frequently gather and evaluate critical information, organize and express ideas. The case approach to teaching ethics in accounting and finance courses is effective in exposing students to ethical dilemmas and teaching them a decision-making process for evaluating such situations. Students need to participate in role play

to dramatize making learning ethics both interesting and effective. However, as in any case approach, accounting and finance instructors should try not to give their opinion until an ethics situation has been discussed fully with students.

To start with, unethical cases can be found on the campus. Students may cheat in examinations, default in payment of university fees, steal, and reserve seats in libraries and canteens. What accounting and finance teachers are required to do is to give the students the tools to help them deal with unethical situations in the work place. By helping students to analyze unethical cases, students may be able to find solutions which conform to their own personal values and thereafter may be in a better position to deal with such cases in the work place where they will graduate.

In the case approach, students can practice deciding whether an issue or even a decision is ethical or unethical. If this seems difficult, they may instead decide on the degree of ethical concern by using an ethical scale of say 1 to 5 where 5 is very ethical and 1 is very unethical. Situations can be modified by changing a variable at a time, for example, altering the age of the persons involved.

Ethics need to be given importance in all the contexts of the communication process through the following:

- (a) focusing on the communicator's interviewing behavior and expression.
- (b) focusing on the message by considering the ethics of emotional appeals, for instance.
- (c) focusing on the medium of communication by (obscenity, for example), the use of nonverbal cues, the telephone, the news, the television, etc.
- (d) focusing on the communicative situations such as ethics in a work place, in sales, in job search, etc. (Jensen, 1985).

Whatever the strategy of inculcating ethical values, the approach should be descriptive, not prescriptive. There is no hard and fast rule but guidelines. To have rules is too rigid especially for ethical issues. It deserves mention that one should never say "it must be this;" rather, one should say "it ought to be this." Because an ethical issue can be so complex involving many variables, we should not see it as primarily the case alone. It can be a primary issue or a heterogeneous mix of secondary issues (Jensen, 1985).

In analyzing ethical issues in the accounting and finance courses, the following techniques may be recommended.

- (1) It is needed to consider the utilitarian theory and theory of duties when analyzing unethical cases (Spencer and Lehman, 1990);

The Utilitarian theory (Mill, 1863) states that one should do the most good over harm. In making the decision, one must evaluate the alternatives to decide on the one which benefits the most people.

The theory of duties suggests that one should consider the duties of not harming innocent people, keeping promises, showing gratitude, acting in a just way, and providing reparations to those who

have been harmed by one's actions in a just way, and providing reparations to those who have been harmed by one's actions in making an ethical decision (Beauchamp and Bowie, 1979).

Students may be asked to first describe an unethical case, and then apply the two ethical theories to decide on whether the case is genuinely unethical before writing a report or presenting to the class.

(2) It is required to use the four-way test of things by Rotary International to question unethical issues (Harcourt, 1990):

- a. is it the truth?
- b. is it fair to all concerned?
- c. will it build goodwill and better friendships?
- d. will it be beneficial to all concerned?

These four questions consider the truth, fairness, goodwill, good interpersonal relationship, and benefits.

(3) It is needed to consider Donald V. Seibert of the J. C. Penney Company's (1978) questions in considering unethical issue:

- a. am I personally proud of this action?
- b. am I comfortable with this decision?
- c. would I feel comfortable if it were known by my associates; my friends, my family, or the public?

These three questions consider the content, conscience, and reader or listener.

(4) It is important to consider Ivan Hill's (1980) guidelines in dealing with ethical questions:

- a. does the message content meet the society's standards of behavior?
- b. is the message legal?
- c. are there any personal values to the content?
- d. what does God think of it?

It is interesting to note that the study did not show any serious mismatch between the perceptions of the accounting teachers and that of finance teachers. Professional accountants' perception was also similar. All the three groups perceived analytical quality important. They realize from their educational exposure the importance of analytical ability as educational programs generally aim at developing this.

They, however, did not perceive leadership quality important for an accountant and finance manager, and considered articulation only quite important. Such a perception may be due to their educational exposure and limited working experience. Perhaps one may then wonder whether educational programs are adequately preparing students for the business world. Buckley *et al* (1989) have addressed this issue. They stressed the importance of minimizing the unrealistic expectations developed by students about organizational life through mutually satisfactory educational programs that incorporate education and business for the benefits of the students.

In the context of Thailand, compared to accounting and finance students, a greater number of members of the public viewed articulation as an important quality. The importance of being

articulate is expected in the business world. In a survey of 380 respondents, 97 percent believed that communication skills had affected their advancement, and 85 percent had taken formal courses in communications. All communication skills are considered significantly important. Company training and college instruction are considered the best solutions to communication problems (Bennett and Olney, 1986). The students, however, did not seem to realize the importance of articulate quality. One may then raise the question of the value of business communication as perceived by students of accounting and finance (Swanson and Swanson, 1990).

In Bangladesh context, accounting and finance teachers as well as professional accountants give much emphasis on the requirement of the ethical virtues for accountants and finance managers serving in the industries of Bangladesh. Finally, it needs to be emphasized that ethical quality and integrity should endow accountants and finance managers. Bridging the gap amongst the public, accounting students, finance students, accounting teachers, finance teachers and professional accountants is a momentous task but the result is rewarding in that what is preached to the students is practiced by the accountants and finance managers, and seen by the public.

The study recommends that (i) Every education system must be preceded by character formation, (ii) accountants and finance managers need ethical and moral direction, (iii) prominent industrial organizations need to launch Centre for Business Ethics to ethically ignite all the employees at all levels by institutionalizing ethical and transparent business operations, (iv) holding discussions on the moral dimension of contemporary individual, social and political life, (v) stimulating to have a distinct responsibility to shed light on questions of moral life, and (vi) there should be a Center for Business Ethics in the universities because it will serve as a locus of ethics resources for the students community from whom all executive officers including accounts officers and finance managers are recruited. Both teachers and students of every university need to come forward to create an ethical environment. Industrial organizations should also come forward to create ethical environment. They should not lag behind in these days when everyone needs to be ethically sound for survival in the competition.

### **Scope for further research**

This study provides a great scope for future researchers. The study paves the way for further research into perceived personality and personal qualities of an accountant and finance manager. One possible area of research is to determine whether the respondents' assessment of personal qualities is different if they are specifically told to consider accountants and finance managers in a particular job description. Another related area is assessing whether the personal qualities of accountants and finance managers will mesh with the organization's culture. Finally, one can pursue research on the importance of personal qualities of accountants and finance managers as well as all others at the executive level in determining the success or failure of their role in the business world. Future researchers may pursue more exhaustive and in-depth research studies in this area. There is a wide scope for further research in this area. This is what the authors of the present study strongly feel.

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**Appendix A**

**Questionnaire for Accounting and Finance Students as well as Members of Public of Thailand**

The aim of this questionnaire is to gather opinions on the personal qualities of accountants and finance managers. Your response will be highly appreciated.

**1. Occupation:**

Accounting Students	<input type="text"/>
Finance students	<input type="text"/>
Non accounting profession	<input type="text"/>
Others (Please specify)-----	<input type="text"/>

2. Indicate the degree of importance of the following personal qualities to an accountant and finance manager by filling in the appropriate number in the brackets .The scale is shown below.

**1=Least important, 2=Quite important, 3= Important**

- Integrity [ ]
- Articulation Skill [ ]
- Management skills [ ]
- Analytical skill [ ]
- Leadership skill [ ]
- Religious instinct [ ]
- Independent spirit [ ]
- Strength of mind [ ]
- Resourcefulness [ ]
- Truthfulness [ ]

**Appendix-B**

**Questionnaire for University Teachers of Accounting and Finance as well as Professional Accountants (of Bangladesh)**

Sl. No.	Ethical Virtues	Responses				
		Least Important (1)	Less Important (2)	Undecided (3)	Very Important (4)	Most Important (5)
1	Integrity					
2	Articulation Skill					
3	Management Skill					
4	Analytical Skill					
5	Leadership Skill					
6	Religious instinct					
7	Independent Spirit					
8	Strength of mind					
9	Resourcefulness					
10	Truthfulness					