CATHOLIC UNIVERSITY COLLEGE OF GHANA

THE EFFECTS OF ETHICAL ACCOUNTING PRACTICES ON ORGANIZATIONAL PERFORMANCE IN THE SUNYANI MUNICIPALITY (A CASE STUDY OF SOME SELECTED ORGANIZATIONS)

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BY

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JULY 2020

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature ……………………..Date ……………………………

Name: Appiagyei Edna Akyaa

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the Catholic University College of Ghana.

Supervisor's Signature …………………………..Date ………………………

Name: Dr. Paul Brafi

ABSTRACT

The purpose of this study was to identify the challenges of accounting ethics of some selected organizations in the Sunyani Municipality. A descriptive survey design was used for the study. The study used both primary and secondary in the data collection. The primary data was collected using questionnaires administered for the purpose of the study while the data was collected from respondents within some banking sector in Sunyani Municipality whereas the secondary data was collected from annual reports, brochures and manuals on the topic. The results of the study found out that there are so many factors considered in accounting ethics and this study contributes to knowledge as it provided deep insight into a reason why ethics seem not to be promoted in organizations. The study employed descriptive methods including frequency analysis, percentages and tables in the analysis of the set objectives of the study. Ethics builds on them and provides sign posts for the behaviour of all participants in the process. Since, there is an important place within the accounting regulations for decisions that decisions are often made in situations where the rules are not clear enough and the line of delimitation between what is acceptable and what is not feasible is not always easy to withdraw, accounting is considered one of the most ethically demanding professions. The study recommends 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.

KEYWORDS

Ethics

Accounting

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I would like to express my sincere gratitude to my supervisor for his professional guidance, advice, encouragement and the goodwill with which he guided this work. I am really very grateful.

I am also grateful to my family and friends for their support throughout my life.

DEDICATION

To my family

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

Background of the Study

Accounting Ethics is one of the critical concepts according to which every person associated with the accounting has to follow definite types of rules and guidelines set by the different governing bodies having the power to set the same. These rules and guidelines prevent the misuse of the different powers given to the various accounting professionals in the performance of their various duties.

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

Also, in the areas where the proper accounting ethics are followed, there is decreased legal liability as almost all the things are taken care of well in advance by the concerned persons, and it creates a better Professional Environment as everyone has the proper mindset of maintaining the high level of ethical standards.

The downfall of some major companies and increased in the levels of prominent frauds over the past two decades which has resulted in the question of integrity in the accounting profession. Examples of such global scandals include Enron, WorldCom, Bank of Credit, Global Crossing, Commerce International, Cadbury, Parmalat, and Polly Peck have questioned the efficiency incorporate mechanisms of governance (Zeghal & Mhedhbi, 2016).

The role of accounting ethics in an organization is to ensure a system of information flow that would encourage and support the rational behavior of accounting staff.

Livingston (2012) notes that certain issues have been defined to contribute to unethical behaviors. These factors are individualistic and lack objectivity and independence wrong professional judgment decisions, ethical insensitiveness, ill culture, and improper leadership, notwithstanding advocacy for threats, incompetence, and lack of peer, organizational or professional body's support.

Ethical behavior standards narrow the space for activities that are not in line with moral standards. Ethics, both in other areas and in accounting, is often reduced to the ability to recognize what is good and what is bad. The fact is that many things in the business world are known, without knowing the specially developed professional norms, that they are good or bad in themselves. In this context, accountants face different pressures: to show non-realized revenues, capitalize expenditures that must be recognized at the expense of the period, underestimate the result to reduce tax benefits, miss some posts, etc. These are dramatic demands, but they are not ethically challenged. Everything is clear here. Such decisions are unlawful and unethical.

The professional behavior of accountants avoids any action that discredits the profession and is in line with relevant laws and rules (Nicolaescu & Pantea Mioara, 2008). These rules are commonly written in the Code of Professional Ethics and all of them primarily emphasize moral standards in behavior (Žager & Dečman, 2015).

A professional accountant must have a high degree of professional integrity. Professional accountants have an ethical responsibility to gain specialist knowledge before offering their professional services, to constantly improve their knowledge, and to have a mental attitude to serve the public the best they can (Jamnik, 2011).

The education and practical experience of professional accountants should provide the basis of professional knowledge and skills and professional values, ethics, and attitudes that will enable them to continuously learn and adapt to changes during their professional work (Tušek, 2015).

Accounting professionals and their relation to stakeholders represent an essential component when considering corporate governance mechanisms. Furthermore, agency theory describes the complexity of the relationship between shareholders and managers. While working with managers, accountants should aim for the faithful representation with informational content for stakeholders.

Accountant professionals are expected to adhere to certain principles and ethics in financial reporting to improve and promote public assurance and confidence for the reliability and credibility of financial statements (Kalshoven, Hartog & Hoogh, 2011). In the past, issues of ethics in accounting have manifested into emerging trends like earnings management, creative accounting, bribery, executive compensation, kickbacks, lobbying, auditors' independence, and audit quality.

Moreover, lack of integrity will shade on an accountant professional's credibility so are their financial statements. The form of the tasks practiced by accountants needs high levels of ethics. These high ethical standards as supported by the various stakeholders of the firm are expected to inform the accountant in the preparation of financial statements (IFRS Foundation, 2015).

Due to the sensitivity around an organizations financials credentials, a study of accounting ethics is required as it is an essential aspect of the roles of auditors and accountants in preparation of financial statements. Generally, the term ethics refers to morals or a code system that strongly offers the criteria for distinguishing between wrong and right (Banerjee & Ercetin, 2014).

Ethical dilemmas are common occurrence in the workplace and originate from a situation where a group or an individual must make a decision between two options, where the answer is not always black or white. For managers, investors and even small-business owners, it is imperative to learn accounting ethics and their functions to avoid financial and legal dilemmas due to the misrepresentation of financial statements.

Financial statements, created with the element of independence and upholding the required ethical attributes, minimize errors and generate suitable information for the users of financial statements (Stice & Stice, 2012). Users of financial statements rely on the accuracy, fair, and truthful representation of financial statements and auditors' opinions regarding whether the statements represent the fair value of the organization (Ronen, 2008). Even auditors and accountants, who are responsible for the integrity of a company's financials, can utilize their ethics knowledge to overcome the ethical dilemmas that they face as they perform their roles.

Ultimately, the role of accountants and their relationship to the production of clean and accurate financial statements enhances the reputation of the company in relation to investors, creditors, and other users (Mukarushem & Kule, 2016).

Statement of the Problem

Ethics which is the same with the Latin word “morals” as meaning and coming from “ethikos” in Greek goes back to Greek philosopher Aristoteles before 2500 years. It contains ethical fields about business administration, labor markets, and industrial matters as a lexical meaning and an honesty-based concept (Toraman and Akcan, 2003:60). Professional ethics notion, used in the meaning of acting as depending on ethical and professional principles in the profession and related activities, is a matter which should be paid attention in terms of that profession’s gaining respect and trust from that society (Özkol et al. 2005: 109).

Enron case observed in America in 2001 and non-ethical operations of Arthur Andersen being one of the 5 biggest independent inspection companies in the world known to approve all non-ethical accounting transactions of this organization and even suggest itself have shown that ethical problems about the accounting profession recently should be examined again (Sarıoğlu, 2002:49-50)

Xerox, Dynegy, WorldCom, Global Crossing, Tyco International, Qwest Communications and Adelphia Communications cases observed in America are among the examples to be given for ethical problems about the accounting profession (Kırlıoğlu & Akyel, 2004)

A well run profession or business must have high and consistent standards of ethics in other to stand fast and to stand the test of time. Tension often exists between an organization’s financial goals and strategies to improve profit, and ethical considerations with concern for the right behavior. When the public loses confidence in the ability of the market to prevent corporate misbehavior, it often demands increased government regulation. For example, frequent cases of misconduct by corporate executives have led to the passage of various acts. Such acts include the Companies and Allied Matters Act, 2004 Cap C20, LFN, the Economic and Financial Crimes Commission (EFCC) Act, 2004, the Investment and Securities Act (ISA), 2007, the Independent Corrupt Practices and other Related Offences (ICPC) Act.

However, many companies have still gone on to collapse due to the challenges of accounting ethics. Researches to investigate this has shown both positive and negative relationships as far as apportioning blame for audit firm work in major corporate failure situations.

Other researchers have looked at the case of auditor involvement in corporate scandal as being due to the expectation gap of the public on the role of the auditor. There is an assertion that the increasing trend in the judicial proceeding and criticism against accounting professionals can be attributable to the audit expectation gap‟ (Porter et al, 2001). The audit expectation gap indicates the difference between the actual standard performance of the auditor and the various expectations of the public concerning the auditor's performance to the anticipated performance measure (Ojo, 2006).

The researcher has however identified that all the previous research in this regard has looked at a specific market context. The researcher has from his review of existing work in this area noticed that all researches are in a specific country perspective and has to the best of his knowledge has not come across research that looks at the case of the role of accounting forms across geographical areas and markets that would have different cultures, possibly different accounting standards of reporting and accounting and that would have different listing requirements by the exchange.

This study would look to bridge this gap by studying the challenges of accounting comprehensively corporate failures cross markets to establish a relationship between accounting work and corporate failures. The researcher would establish if Accounting firms have consistently performed their role by certifying the truthfulness of financial statements of major companies that have gone on to in the Sunyani Municipality.

Objectives of the Study

The main objective of the study is to identify the effects of ethical accounting practices on organizational performance.

The specific objectives of the study are to;

1. Identify the factors of accounting ethics.
2. Find out the effects of perceived causes of ethical failure on organizational performance; and
3. Analyze the relationship between accounting ethics and organizational performance.

Research Questions

To achieve the specific objectives of the study, the following research questions will be posed:

1. What are the factors of accounting ethics?
2. What are the effects of perceived causes of ethical failure on organizational performance?

3. What is the relationship between accounting ethics and organizational performance?

Significance of the Study

The study will bring to bear whether there exists an accounting ethics expectation gap and if so the extent of it. Also, it will bring to bear the sources or forms of accounting ethics expectation gap and serve as a signal to policymakers on measures that can be instituted to tackle it. Last but not least it could serve as an important source of literature for future studies on the topic. The study will also be of importance to corporate boards to strengthen the role they play in overseeing the accounting work in organizations and to the broader markets in enduring stability, confidence, and avoidance of future failures. Moreover, the research would help the researcher gain deep insights into corporate failures and the work of gatekeepers in that regard. Lastly, the research would help to resolve the expectation gap between investors and accountants.

Delimitations

The study will an examination to identify the effects of ethical accounting practices on organizational performance.

Limitation of the Study

Concerning this study, the most remarkable limitation is the period for data collection, the number of organizations used for the study. In effect, this limited the sample size for the study which was beyond the researcher’s control.

Organization of the Study

The study is organized in five chapters. Chapter one will comprise the background of the study, statement of the problem, objectives of the study, research questions, the hypothesis of the study, the significance of the study, scope, and limitations of the study and the organization of the chapters. Chapter two looks at the review of the study that is literature which is the summary of specific findings established in studies similar to the topic under investigation. The researcher focused on research methodology and profile of the district in chapter three. Whiles analysis of data and graphical representation of data will be imputed in chapter four. Chapter five of the study will look at the findings, recommendations, and conclusions.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter provides a theoretical background to the legal issues that will be analyzed in the thesis.

Theoretical Framework

Different scholars have developed different theories of measuring and evaluating financial returns about ethical accounting. The theories include: the Agency theory and lending credibility theory

Agency theory

According to Jensen and Meckling (1976), agency theory refers to the relationship that exists between principals (for instance the shareholders) and the agents (such as the directors.) The financial statements are the primary mechanism for shareholders to monitor the performance of directors. However, as a result of the separation of ownership and control, problems with information asymmetries, and differing motives, there may be tension in the shareholder-director relationship. Shareholders have limited access to information about the operations of a company and may believe, therefore, that they are not getting the right information they need to make informed decisions or that the information being provided by way of the financial statements is biased.

As such, shareholders may lack trust in the directors, and in such a situation the benefits of an audit in maintaining confidence and reinforcing trust are likely to be perceived as outweighing the costs. Companies Act states that auditors are appointed by and report to the shareholders of the company. The auditors provide an independent report to the shareholders on the truth and fairness of the financial statements that are prepared by the board of directors. (Bazerman and Moore, 2002)

They further argued that auditors are engaged as agents under contract but they are expected to be independent of the agents who manage the operations of the business. The primary purpose of audited accounts in this context is one of accountability and audits help to reinforce trust and promote stability. This is a simple agency model of audit, where an expert independent auditor is introduced and a statutory audit performed to help address a simple agency conflict between shareholders and directors.

Lending credibility theory

This theory suggests that the primary function of the audit is to add credibility to the financial statements. In this view the service that the auditors are selling to the clients is credibility. Audited financial statements are seen to have elements that increase the financial statement users' confidence in the figures presented by the management in the financial statement. The users' are perceived to gain benefits from the increased credibility, these benefits are typically considered to be that the quality of investment decisions improves when they are based on reliable information. (Hayes et al. 2005).

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).

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, the teleological theory is one of the theories being used to explain whether a particular act is ethical or unethical and accountants are to ensure the 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 a right action 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 making decisions as a result of its consequences, this according to Mausio (2014) described as the theory of Consequentialism or Utilitarianism that is judging from the rightness of an action.

Also, Rawls (2009) also came up with a teleological theory which is a theory of justice which he expressed as fairness. The 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 good but have little effect or consequences on people and in their interest which are generally inconsistent 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. For example your own family, the 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. For example, accounting standards are to protect all of society and businesses.

Historical Background to Ethical Accounting

Ethics in accounting is mainly known as applied ethics, which strongly emphasizes human and business ethics, judgments, moral values, and their application in accountancy. Generally, the major ethical drivers of accounting are an appropriate practice and a good standard of professionalism. According to Micewski and Troy (2006), the ethical responsibility within the business world is not holistic but lies under the particular context of ethical behavior.

A majority of the corporations in the world have instituted ethical issues in the accounting processes, which increases the potential for conflict of interest. Breach of ethical rules within the corporate finance practice, through financial misstatements, usually damages an organization's reputation, customer satisfaction levels, and the trust of investors on the company. According to Johannes Brinkman (2002), ethics is the discipline that exhibits matters related to evil and good, wrong and right, and vice and virtue.

Therefore, ethics are used to examine moral principles, human behavior, and their efforts to distinguish between good and bad. The development of ethical codes within organizations can secure the fidelity of business transactions and financial processes, which in turn, affect employee performance, relationship, and credibility of the company.

The role of accountants in regards to the timely and accurate preparation of financial reports is of significant importance to decision-making by investors, managers, and other senior management officials. Adherence to ethics in accounting also aids in ensuring compliance with internal control systems with standards.

Therefore, accountants can identify and measure resource wastage, investigate, and perform roles that can contribute to the improvement of policy formation and fraud identification in an organization (Elias, 2002). Unethical behaviors not only degrade the reputation and credibility of an individual but the company as well, increasing the likelihood of criminal activities that could result in a decrease in profit levels (Sims, 2003).

The critical initial step in ensuring ethics is building up ethical leaders who can function adequately in every sphere of an organization in which accounting is one of them. This can be instituted by inculcating moral standards, awareness, intentions, and judgement in the school curriculum to enhance the learning environment. When leadership and ethical courses are properly handled in accounting perspectives, students of today who will be leaders of tomorrow will be able to face the challenges that may arise in the future. However, practitioners and accounting educators are yet to look into this area critically.

Failure in accounting ethics has caused the loss of billions to investors globally. This, therefore, calls for improvement in ethical behavior and reasoning of professional accountants which includes intervention in accounting ethical accounting such as the virtue ethics as supported by the study of Cameron et al. “Ethics” is a term subject to numerous, sometimes conflicting interpretations ethical problems which are relevant issues present in many aspects of real life. These situations can be examined through several branches and several grids of analysis, modern or classic.

A distinguishing mark of the accounting profession is its acceptance of the responsibility to act in the public interest. Key qualities that appear in the codes of ethics of professional bodies include independence, integrity, objectivity, competence, and judgment. Ethics is based on a set of unbreakable ethical rules which is concerned with the simple notion of right and wrong.

Accounting ethics is a code of conduct that applies to the practice of accounting. Like the ethical conduct of an organization, the ethical actions of accounting are a collection of an accountant’s actions. As a member of a profession, accountants have a responsibility, not only to their employers and clients but also to society as a whole, to uphold the highest ethical standards. Every accounting board should adopt codes of professional conduct in other to ensure that its members understand the responsibilities of being professional accountants. Fundamental to these codes is the responsibility to the public, including clients, creditors, investors, and anyone else who relies on the work of accountants. In resolving conflicts among these groups, the accountant must act with integrity, objectivity, and independence even to the sacrifice of personal benefits.

According to Jamnik the extreme importance of ethics cannot be overemphasized. Therefore, there is a need to adopt a thematic approach in educating professional accountants on ethics to meet up with the global ethical standards and to accommodate variances in the ethical traditions and practices between nations and culture as this is to enhance the acknowledgment of ethical principles in the conduct of business and professional activities on regular basis.

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Unethical behaviors not only degrade the reputation and credibility of an individual but the company as well, increasing the likelihood of criminal activities that could result in a decrease in profit levels (Sims, 2003).

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 under its primary values and ethical standards. This is to say that, once you are a 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 the 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 every day which impacts directly on 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 an ethical and behavioral framework to 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.

Ethics in Accounting

The critical initial step in ensuring ethics is building up ethical leaders who can function adequately in every sphere of an organization in which accounting is one of them. This can be instituted by inculcating moral standards, awareness, intentions, and judgement in the school curriculum to enhance the learning environment. When leadership and ethical courses are properly handled in accounting perspectives, students of today who will be leaders of tomorrow will be able to face the challenges that may arise in the future. However, practitioners and accounting educators are yet to look into this area critically.

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Importance of Accounting Ethics to Organization

The primary purpose of a code of ethical conduct is to provide an organization with a clear benchmark for ethical behavior. Accounting ethics help to shape the behavior of the manager and their employee towards their stakeholders. Accounting ethics directly contribute to profit which is distributed to all stakeholders according to their interest in the entity.

Oghene et al. stated that the purpose of ethics in an organization is to direct businessmen and women to abide by a code of conduct that facilitates if not encourages public confidence in their product and services. International Federation of Accountants (IFAC) states that the introduction of a code of ethics helps build a value-driven organization and typically deals with an organization's underlying values, commitment to employees, standards for doing business, and its relationship with wider society.

Besides, McMurran et al. stated that accounting ethics contributes to profitability by reducing the cost of a business transaction, building a foundation of trust with stakeholders, contributing to an internal environment of successful teamwork, and maintaining social capital that is part of an organization’s market-place image.

Accounting ethics can also be seen to have a positive impact on the reduction of fraud cases, corruption, theft, and mismanagement of funds by employees. One study revealed that the role of professional accountants is dependent on professional accounting ethics which implies the organization as a whole.

However, the study of Abdolmohammadi et al, 2013 revealed that though ethical education impacted the attitudes and behavior of professional accountants, yet to confirm if ethical accounting has the potential of mitigating Enron-like fraud. An ethically-minded business entity invests less in advertising and their product and service are of high demand. Accounting ethics assists an organization to build its integrity and culture on a solid foundation. Before an organization can reap these benefits of accounting ethics, the organization must invest heavily both in human capital development and organizational asset. Heysel 2014, opined that these investments take the form of both time and money, poses as a challenge to the organization.

Ethical Issues and causes of Ethical Failure

Few financial scandals are the result of methodological errors rather, they occur from errors in judgment (Brooks, 2004). This has increasingly been shown incorporate collapses and audit failures associated with organizations such as WorldCom in the USA and HIH Insurance in Australia, where a lack of attention has been given to the ethical and professional values of honesty, integrity, objectivity, due care and the commitment to the public interest before one's interests (Jennings, 2004; Parker, 2005).

The result has been an apparent breakdown in society's belief that accountants act in the public interest. The number of accounting abuses has served as prima facie evidence that something more is needed in terms of accounting ethics (Armstrong et al., 2003). Professional and educational institutions have responded by calling for more ethics education in the accounting curriculum. In "Educating for the public trust" PricewaterhouseCoopers (2003, p. 1), observes that "... at this critical juncture, we choose to focus on accounting education because of the important role it plays in rebuilding public trust". The collapse of large corporations has serious financial implications for investors, employees, and the public (Elias, 2004), giving rise to a credibility crisis (Earley and Kelly, 2004). McPhail (2001, p. 280) has contended that accounting education should contain "an ethics component which attempts to engender a sense of empathy for, and moral commitment to, 'the other'". Self-interest as opposed to a focus on public interest is a testament to the distance of the individual from the implications of their decision making in accounting.

The Public interest versus Self-Interest.

Increased awareness of public interest is considered to be an important ethical issue that challenges the professional accountant in today's environment. The duty to serve society and the public is known as the "public interest" defined in the Code of Ethics for Professional Accountants as: ... the collective well-being of the community of people and institutions the professional accountant serves, including clients, lenders, governments, employers, employees, investors, the business and financial community and others who rely on the work of professional accountants (APESB, 2006, s.100.1.1).

Therefore, the notion of the public interest implies that the professional accountant's responsibility is not exclusive to the needs of an individual client, employer, nor themselves, but all stakeholders who rely on the reports are prepared and audited by them. The accounting profession has been criticized for seeking to protect its self-interest rather than the interests of third parties (Lee, 1995).

Self-interest threats arise where there is a conflict of personal interest and the interests of those served by the professional, leading to the possibility of compromise. Parker (1994) observed that the public interest is readily declared, but the private interest remains submerged, yet powerful. The conflict between the public interest and self-interest is increasingly under scrutiny, with highly publicized corporate collapses and alleged accounting failures.

Consequently, the accounting profession has been taken to task for a variety of ethical issues, ranging from a lack of independence by public accountants on audit engagements, engaging in creative accounting, tax fraud, and evasion, and conflicts of interest, as well as a failure of the duty of care towards shareholders and the public.

Ethical Sensitivity of Practitioners

Ethical sensitivity is based on the premise that a dilemma is recognized as an ethical issue, or at least containing an ethical component. Empirical research relates to ethical sensitivity (ability to identify and recognize ethical issues when they arise) and moral reasoning judgment (relating to how and why ethical decisions are made). If professionals are sensitive to ethical issues, then the decision-maker is likely to use moral dimensions in resolving the dilemma, rather than take a heuristic approach such as profit maximization (Hooks and Tyson, 1995).

Therefore, the professional must recognize the ethical component in a dilemma before an ethical decision can be made (Armstrong et al., 2003; Jones, 1991). The problem for professionals is that ethical issues are often hidden (Bebeau et al., 1985) and they often lack the ethical sensitivity to recognize ethical dilemmas when they arise.

The accounting profession relies extensively on ethical behavior with accountants and auditors regarded as "moral agents" of corporations and societies (Schweiker, 1993, p. 232). Although codes of ethics are an important device, they do not guarantee members of the profession comply with the code. More important is the recognition that ethics and ethical behavior are underpinned by moral reasoning. Ethics as moral reasoning. The most widely known work in the area of moral reasoning is that of Kohlberg (1969), who developed the theory of cognitive moral reasoning and development. Kohlberg's theory is concerned with how judgments are made and why one formulates judgment (Kohlberg, 1969).

Generally higher levels of moral reasoning are indicative of higher ethical standards. In the case of auditors, researchers discovered several positive associations. For example, Ponemon (1993a) found that as auditors' level of moral reasoning increases, so do their assessments of audit risk and prediction regarding the detection of a material accounting error.

Generally, prior research has found that auditors with higher levels of moral development rely more on judgment and less on technical standards for problem resolution (Ponemon and Gabhart, 1990; Sweeney and Roberts, 1997).

Furthermore, auditors with high moral reasoning tend to be more resistant to client pressure, whereas auditors with lower levels of moral reasoning respond to economic variables and self-interest (Bernardi, 1994; Windsor and Ashkanasy, 1995; Ashkanasy and Windsor, 1997). While auditors demonstrate positive associations with a higher level of moral development, the findings from comparative studies are not as encouraging. Several studies have examined and compared the moral judgment levels of various groups, Professional accounting bodies 931 including the accounting profession. According to Gaa (1995), the moral reasoning of accountants differs in many ways from both the general population and from other occupational groups. In general, empirical evidence indicates that accounting professionals do not compare favorably with similar occupational groups or the adult population (Armstrong, 1987). Armstrong et al. (2003, p. 10) indicate that the educators "set the stage for ethical behavior by increasing moral sensitivity, moral reasoning, and moral motivation". The next section reviews the calls for increased ethics education in the light of the loss of public confidence in business following corporate scandals referred to above.

Organizational Performance

The concept of performance has gained increasing attention in recent decades, is pervasive in almost all spheres of human activity. Performance is a subjective perception of reality, which explains the multitude of critical reflections on the concept and its measuring instruments. The multitude of studies at the international level in the field of performance is also due to the financial crisis that swept the economy globally, which has led to a continuing need for improvement in the area of performance of entities. The concept of company performance is often used in scholarly literature, but it is only rarely defined.

Due to the large number of concepts employed in defining performance, it is more and more discussed the existence of a confusion of this concept. Thus, organizational performance is confounded with notions such as productivity, efficiency, effectiveness, economy, earning capacity, profitability, competitiveness, etc. For this reason, it is increasingly insisted on a clear and unambiguous definition of the concept of performance. The term performance emerged in the mid-nineteenth century and was first used in defining the results of a sporting contest. In the twentieth century, the concept has evolved and developed a series of definitions that were meant to encompass the widest sense of what is perceived through performance.

The concept of performance, as it appears defined in the dictionaries of French, English, and Romanian, defines more the idea of the outcome, achieved a goal, quality, and less the economic aspects of efficiency and effectiveness. The Explanatory Dictionary of the Romanian Language defines performance as a result (particularly good) obtained by someone in a sporting contest; a special achievement in a field of activity; the best result obtained by a technical system, a machine, a device, etc. The definition shows that the term performance was originally taken from the mechanics and sports fields, to subsequently be used to characterize the very good results also achieved in other fields. This means that performance is obtained only by a limited number of entities, those who get the best results. Performance cannot be associated with any result achieved, but only with a special one.

Factors of Accounting Ethics

A perusal of literature brings out various recurring themes that affect the decision of accountants to integrate ethics into accounting and also determine the form that it takes. The notion that a person’s ethical framework is fixed and cannot be modified often is cited as the major objection to ethical accounting (IAESB 2006). The attitudes of stakeholders regarding ethical accounting vary. Whilst some scholars reject the idea completely, others are skeptical about the effectiveness of ethical accounting. Still, others are neutral and adopt a “there is no harm in trying” disposition, and others are positive about its benefits and support it (McDonald and Donleavy, 2016).

Sims (2002) found that the first step in instituting a policy was for the faculty to declare that it believes in the importance of ethics education. Also, if policymakers do not believe in the relevance and effectiveness of incorporating ethics content into the curriculum, they will not be willing to commit time and resources to see it through (Uyar and Gungormus 2013).

At a certain level, studies show that there are both external and internal factors that influence the inclusion of ethical accounting in general. Earlier, scholars argued that the inability to introduce new topics or courses into overcrowded degree programmes is one barrier to the inclusion of ethics in accounting (Lampe 2015). Generally, ethics is viewed as a “soft” course, and so educators are usually not willing to devote time and effort to it at the expense of what they view as more important courses (Power 1991). Also, the issue of insufficient materials for teaching is suggested as a factor for low ethics coverage.

Ethical accounting is most frequently addressed in auditing courses (Cohen & Pant 2014), and yet the most popular auditing textbooks devote only one chapter specifically to the subject of ethics.

The interest of the public is the primary ethical objective which should be taken into consideration when an accountant or an auditor performs his job. Their job should be performed according to the accounting standards and according to a code of ethics. Codes of ethics are suggested means for institutionalizing ethical behavior. Top management demonstrates its commitment to the code through its daily behavior. Also, the organization reinforces ethical behavior through punishment and rewarded consistently. The performance evaluation system can be a very important mechanism for demonstrating management's commitment to ethical behavior.

Many stakeholders in many countries report several concerns about the usage of rules-based accounting. According to recent studies, many believe that the principles-based approach in financial reporting would not only improve but would also support an auditor upon dealing with the client’s pressure. As a result, financial reports could be viewed with fairness and transparency. So many countries have switched to International Accounting Standards IAS, as they are composed that this would bring changes, especially to accounting ethics. Recently most countries have adopted the International Financial Reporting Standards IFRS as these standards are based on understandability, relevance, materiality, reliability, and comparability.

Application of Ethics in Accounting

Interpretation by accountants in the process of preparing and presenting financial statements for the benefit of others implicitly implies the fulfillment of high ethical standards. Recognizing the size and seriousness of the problem, the accounting profession, like many others, has established the Code of Ethics for Professional Accountants, adopted by the International Ethics Standards Board for Accountants obliging member organizations of IFACs and companies not to apply standards that are less demanding than those prescribed by this document. The key ethical requirements for professional accountants are identified therein which ensure respect for the basic principles of professional ethics. These are integrity (requires fair conduct and honesty), objectivity (insisting on impartiality and professional business judgment), professional competence and due care (emphasis on maintenance and improvement of professional knowledge, dedication and attention in providing services to clients), confidentiality (obliges one to refrain from disclosing confidential information and their use for the acquisition of personal or benefits to third parties), and professional behavior (it implies compliance with legal and professional regulations and the avoidance of all activities that may discredit the profession). Professional accountants are required to recognize threats of a possible violation of the said principles and to apply safeguards if such threats exist to ensure compliance with the underlying principles.

Respecting professional, legal, and ethical standards of accounting behavior in making various decisions implies that professional accountants have characteristics that allow for the existence of ethical capacity. In doing so, ethical capacity reflects the ability of ethical judgment and decision-making. The Josephson Institute of Ethics identified six pillars of character that provide the basis for moral decision-making by professional accountants. These include trustworthiness, and also sincerity, kindness, competence, dignity, independence, tolerance and acceptance, responsibility, which means expressing a certain level of care and diligence in what we do, fairness, which presupposes the treatment of all people in the same way, impartially and openly, caring for the ability to understand the interests and problems of others, and the duty of a good citizen, which implies behavior as a good community member (Mintz & Morris, 2008).

Ethical and Non-Ethical Behaviour in Accounting

The current financial crisis testifies that numerous banking products were or are still destructive, not productive and that the financial market is still overloaded (both financial service providers and financial products themselves), excessively mediating (in terms of the existence of numerous levels of mediation), too complex in the content of the offered products and ultimately underdeveloped in the part of protecting users of financial services (Wehinger, 2012). The results of the 2012 survey on deforestation of unethical and/or criminal activities in the financial services industry are also defeating. The survey covered 500 employees of this activity in the United States and the United Kingdom, of which approximately 26% of respondents confirmed that they saw some forms of misdoing business tasks; 24% expressed the view that financially employed workers must engage in unethical or illegal actions if they want to be successful; 16% said they would be ready for criminal acts like abusing privileged information for trading if they could go unpunished; 39% believe that their competitors also engage in illegal and unethical actions, otherwise, they would not be successful; For 30% of respondents, various forms of compensation and bonus created pressure for compromising or unlawful actions, while 23% of respondents said that other forms of pressure were used, which affected employees' decision to take such actions.

Fraud, gambling, and scandals within the accounting industry have raised the level of awareness and have contributed to the creation of demand for banks that have more conscience and self-control in their financial appetites, although certain skepticism does not circumvent the possibility of applying the concept of socially responsible and ethical banking in practice. Therefore, the emergence of devastating financial and economic crises can be considered as the driving force of revitalization and reaffirmation of the idea and practice of socially sensitive banking.

(Benedikter, 2011) thus concludes that European ethical banks are the absolute winners of the crisis, given that they have grown on average over 20% a year and have doubled their assets in the period from 2007 to 2010.

Nevertheless, it should be emphasized that already in the beginning of the last century, ethical banks and various heterogeneous savings institutions with ethical principles of business were established in Europe, beginning with the data of the European Federation of Ethical and Alternative Banks and Financiers (FEBEA) many of which exist today. Ethical banking is not so much a novelty in some Anglo-Saxon countries, such as Canada and the United Kingdom, since according to the data of international ethical associations, ethical banks in those countries were established in the 1940s, with some exceptions during the Great Depression.

The Effects of Perceived Causes of Ethical Failure on Organizational Performance

The consequence of ethical failure is far-reaching. It affects severely both internal and external organizational environments and the nation as a whole. Organizations that fail to comply with the societal codes will doubtlessly encounter dark futures, (Richard L. Daft, 1997). These failures include the inability of organizations to meet both financial and non-financial obligations. The absence of equity in the workplace is one of the problems, (Williams Huber, 1986).

Human relation is endangered where and when misconduct become every day’s action. Organizational position power is denied. Managers fail to influence their subordinates to the extent their legitimate power permits them. Since the use of power is legitimate when it is right and proper in a moral sense.

Unfortunately, individuals and groups within organizations often perceive rights and morals differently. As a result, the question of who has the right to make certain decisions and to take certain actions is debatable, (Williams Huber, 1986).

Furthermore, wrong behaviors doubtlessly lead to bankruptcy, Low growth rate, and contribute to macroeconomic instability in financial respects.

The rise of competitiveness in business and desire of becoming successful by any means necessary has driven many people to resort to unethical business practices. Indeed some businessmen take it that in business there is no let go making even the highly qualified and well-educated and trained individuals engage in unethical practices to survive in the market place (Zińczuk, Cichorzewska & Barczewski 2013).

They identified factors contributing to unethical conduct as dominating culture in an organization which supports the unethical acts; lack of trust within the business, lack of supporting values or failure to comply, weak legal and organizational policies procedures and guideline; Inappropriate role modeling by organizational leadership; setting unrealistic and unattainable operational targets. In his research on behavioral ethics and why people act or behave unethically, Prentice (2014) demonstrated that even people of good character, even if they are skilled at moral reasoning, may engage in unethical conduct due to psychological shortcomings, social pressures, organizational stresses, and prevailing situational factors.

Organizations and individuals engage in various forms of unethical conduct some of which are identified by Fernando (2012) as;

Price fixing is usually done by monopolies who at times create artificial scarcity and other actions to influence upward price movement. Discriminatory wage structure in organizations that comes in various forms like having different pay structures for the same tasks and qualifications based on race, gender, and nationality.

The Relationship between the Accounting Ethics and Organizational Performance

Evaluating Ethical Behaviour: Organizations need to undergo internal ethics audits regularly as this will add great value to the organization. Also, there is a need to communicate and model behavioral standards from the highest levels of an organization down to the entry-level positions. This ensures that there is no gap between ethical standards and the actual behavior of employees. By regularly evaluating these standards and the behavior of the organization's leadership, compliance with the ethical behavioral norms of an organization can effectively be promoted.

2. Educating Employees: One strategy to improve the ethical behavior of an organization is to constantly educate the employees on ethical values as this equips them with the knowledge of what kind of behavior is expected of the employees. This can be done through seminars, conferences, or periodic training.

3. Protecting Employees: One problem that might arise in the promotion of ethical guidelines is the fear employees may have regarding their role in reporting unethical or questionable behavior by another employee or even a superior. Employees must be assured that they will be safe from retaliation from other employees or supervisors who might be turned in for engaging in

questionable activities. The best way to make this assurance is to offer employees a confidential channel through which they can report bad behavior. A company ethics hotline is one way to increase employee willingness to speak out. Another might be a suggestion box kept in a secured location where other employees are not likely to see one of their fellow employees turning them in. Employees must be confidently assured that reporting bad behavior is expected and safe.

Impact of Ethics in Accounting on Society

Ethics in accounting requires that financial statements should be useful for end-users to ease their financial decision-making process. Business society expects accounting professionals to adhere to ethical standards and ensure the timely, accurate, and transparent information is presented to all end-users. Any attempts to deliberately construct false financial statements could severely damage the reputation of a business and lead to the following:

Increased criminal and fraud activities: Poor ethical considerations by a company's accountants minimize the level of oversight and control by superiors, which creates loopholes for auditors to engage in unethical behavior and conceal evidence. It creates opportunities for significant data manipulations, leading to the commitment of serious crimes such as tax evasion and fraud.

The damaged reputation of the business: Unethical activities by accounting professionals affect an organization's trustworthiness and reputation to its stakeholders. The absence of trust due to unethical activities taints the firm's identity, which makes it difficult to conduct business.

The limited usefulness of financial statements: Unethical behaviors of accountants are violations of the regulations because they entail financial statement information manipulation. Consequently, such financial statements have a less appropriate legal status, which greatly affects the decision-making process.

Principles of Ethics in Accounting

The necessity of reaching accounting goals by accountants requires a commitment to a set of principles. All auditing organizations in Africa and other places have defined the following principals.

Honesty

The accountant should be honest at his job. Only in that way, he can help his profession. Simply put, if this principle doesn't hold, the other principles will not exist. The necessity of fulfilling other principles is honesty. It means that the man believes that God sees him all the time and he should do well in every situation.

Objectivity

A registered accountant should be objective. He should not allow prejudgment, bias, interest conflict, or others' penetration hurt his objectivity in offering professional service.

Professional Qualification and Care

A professional accountant should accept services that can afford and use cooperation or consultation of others. A professional accountant needs to promote his professional knowledge and skills for revolving new techniques and methods or adaptation of rules in a way that his employer makes sure of getting efficient professional services

Secrecy

A professional accountant should pay attention to information confidentiality he gets during offering professional services. He should not disclose or use that information without the permission of his employer; unless there are legal or professional rights or requirements for that.

Professional Behavior

A professional accountant should behave in a way that it consists of his reputation; he also should avoid actions that stigmatize his name or professional credit.

Professional Standards

A professional accountant should offer professional services based on professional standards. Service offer must meet the requirements of the employer skillfully and precisely and simultaneously accords with necessities of honesty, objectivity, and professional independence.

Ethical Accounting Problems

The focus of business units on maximizing profit, confronting competitive challenges, and emphasis on short-term results have all put accountants in an environment full of contrasts and pressures, leading to unethical consequences for them. Huge companies invoke to accounting frauds for reporting more profits or deceiving investors. Firms such as Enron, Taiko, and Word Com are good examples of ethical accounting problems. In these companies, ethics was ignored. Their justification was that the goal is wealth maximization for stockholders even at the expense of victimizing ethics. In their ideas, greed in business was a desirable thing and they recognized it as a cause of more activity or profit gain in people.

Government Role

Government interference, using powerful punishment tools is an effective solution for the people who act against ethical standards. For example, in 2001, when the accounting profession was attacked by the financial scandal of Enron, the American government took some corrective measures for punishing unethical behavior.

Professional Committees

The government's duty is a general formulation of laws and law-breakers' punishment. But, professional committees are the ones who play more important roles in gaining and keeping a good professional reputation by providing a professional ethos and predicting executive warranties for these standards in directories of professional foundations. Default in considering professional ethos and the inability of professional accountants in justifying any diversion from these standards may be regarded as professional trespass, accompanying legal repercussions by vocational committees for disobeyers.

Empirical Evidence of Accounting Ethics and Organizational Performance

Bowie found out that ethics and profit are inversely related. McMurrian et al, in their study, concluded that there is a positive correlation between an organization's ethical behavior, its activities, and the organization's bottom-line results. Halbert et al. furthermore found out that there is a fundamental disparity between wealth maximization and business ethics in describing a study involving roughly 2,000 MBA students. Donaldson examined the correlation between ethics and profit. His findings indicated a positive correlation between corporate ethics and profitability.

According to Nwagboso, professional ethics provides the account with these advantages: it helps the accountants to determine the prosperity of his conduct in the professional posture he must maintain if he is to succeed; it gives potential clients a basis for feeling confident that a professional sincerely desires to serve them well and places service above financial reward; it gives clients assurance that standards of competence, independence and integrity shall remain the goal of regulatory authorities to fulfill their responsibility of ensuring that the professional accountants have the capabilities and competence expected of them by employees, clients, the public interest is protected and the credibility of the profession is enhanced. Ebitu affirms that business ethics is applicable to accentuate an ethical consensus in business relationships, activities, and actions with customers to survive, stabilize, and grow. Ogbonna et al. evaluated the effect of ethical accounting standards on the quality of financial reports of banks in Nigeria, they found out that ethical accounting standards affect the quality of financial reports of banks in Nigeria.

Saeidi et al. found out in their study that ethics contribute to the performance of the business. From their findings, it does not only bring profitability but also increases the customer's loyalty, helps in retaining customers, creates goodwill for the organization, and utilize the resources at the maximum level. Saeed et al. in their study on the impact of ethical behavior on employee performance similarly found out that ethical guidelines and ethical values have a positive impact on employee's performance which directly impacts positively on organization's growth.

The findings above were also corroborated by the findings of Onyeaghala-Obioma et al. Using the Spearman Rank Order Correlation and T-statistics, their study found out that there is a relationship between adherence to ethics and performance of business organizations, and the relationship found was significant. Alnasser et al. (2014) carried a research on the impact of accounting ethics in improving manager's behavior and decision making. Using Partial Least Square (PLS), their study concluded that there's a significant influence of accounting ethics in improving manager's behavior and decision making.

A study by Todorovi (2018) sought to establish the code of ethics of accountants in Irish companies. Using structured questionnaires, the study revealed that the majority of the accountants compromised on the financial reporting to meet the expectations of the organization. It was also observed that most of the accountants were not fair and truthful enough in their financial reporting to depict a good image for a sinking organization. It was further revealed that the accountants did not obey the principle of objectivity due to conflict of interest between the obedience of ethical standards of accounting and the interest of the organization of attracting investment from shareholders.

Todorovi (2018) also noted that managers of the sampled organizations were in support of unethical accounting practices regarding objectivity principle. Voss (2018) carried out a study in Europe that sought to examine the challenges facing ethical accounting standards implementation in large companies. The study collected its data through the issuance of questionnaires to the respondents. The study revealed that there was no objectivity in the financial reporting of large companies in Europe. In respect to this, the study noted that accounting was affected by external pressures such as subordinate staff, managerial team, pressures to hide past mistakes in accounting, lack of independence, and fear of losing a job. This external pressure results in alterations of financial reports and therefore violating the objectivity of the accounting process.

An explorative study by Enofe (2015) sought to establish the frequency of incidences of unethical accounting practices in Nigeria. The study found out that the most prominent unethical practice in accounting is lack of objectivity. This study noted that there was a lot of pressure to manipulate the true financial records of an organization to suit the managers' needs. It was also noted that the accounts did not have independence in carrying out their roles. This to a large extent affected the objectivity of financial reporting. In this respect, Enofe (2015) found a positive relationship between objectivity in accounting through the independence of accountants and the quality of financial reporting the sampled firms.

In Ghana, Appiah, Awunyo-Vitor, Mireku, and Ahiagbah (2016) carried out a study to examine the influence of staff characteristics on financial reporting. Using a descriptive survey research design, the study revealed that the level of the skill set of the accountants was attributable to good financial reporting of the listed firms. Focusing on listed companies in Thailand, Kamolsakulchai (2015) established a positive and significant relationship between staff competences and financial reporting quality.

Focusing on the banking sector, Adekunle (2013) established that the position of an accountant required a post-graduate degree in finance-related fields and long working experience. The study concluded that there was a positive and significant relationship between staff competences and the quality of financial reporting in commercial banks. The study further recommended in-service training concerning accounting standards and ethics.

Several kinds of research 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 the 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 was 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 an ethical practice than external accountants since their helping hand was 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's (2005) studies also concluded that the study of ethics during education may increase 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.

Ahinful 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.

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Conceptual Framework

The main drive of accounting ethics and ethical values is the upholding of professionalism and good practice. Perhaps, we start an exploration of the subject ethics by looking at some of the meaning. Ethical responsibility in the business world according to Micewski and Troy (2006) is not holistic, but what we can do is consider any phenomenon that within a certain context influences ethical behavior. In most corporations in the world, the largest ethical issue in the accounting process is the potential for conflict of interest (Gomez, 2002).

The breach of ethical rules in the practice of corporate financial reporting is not fair to users and such action can jeopardize the main objective of the financial reports (Gowthorpe and Amat, 2005). Brinkmann (2002), defined ethics as a discipline in which matter of right and wrong, good and evil, virtue and vice are methodically examined. Ethics looks at human behavior, moral principles, and the attempt to distinguish good from the bad. When trying to identify common issues being dealt with within the business environment, professional bodies' codes of ethics is the right place to look. These codes represent what we can consider being the reflection of business ethics. Codes of ethics should mainly address the particularities of high risk activities and are built on the collective conscience of a profession as proof for the group's acknowledgment of the moral dimension.

According to Smith and Smith (2003), ethical values provide the foundation on which a civilized society exists. Nowadays, ethical standards act as a compass that directs and monitor the actions of people so that the best true and fair practices are achieved. Doolan (2009), append that assuming a person derives ethical values from religious principle, history, and literature, or personal observation and experience, there are some basic ethical guidelines and ethical codes to which everyone can agree. In the particular case of the accounting profession, we should mention the International Federation of Accountants' (IFAC) code of ethics establishing the standards for accounting professionals' behavior and displaying the fundamental principles they should respect to fulfill their common objectives. IFAC's code of ethics generally adopts a principles-based approach. The five fundamental principles in the

IFAC code are: integrity; objectivity; professional competence and due care; confidentiality; and professional behavior (IFAC, 2006)

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter elaborates on the research design that was used for the study or research; the various procedures and processes that were employed to collect and analyze the data. That is, the instruments used for the study and the method of analysis of the data obtained.

Research Design

Research designs are taken into consideration as the blueprint of any research which seeks to handle not less than four issues: which questions to study, important information, what information to gather, and how to examine the outcomes (Hair, Bush and Ortinau, 2000). Research design according to Churchill and Iacobucci (2005) is the structure used in research to collect and analyse field data. Considering the research objectives of the study and associated problems, this research takes the form of a quantitative research design, which is descriptive in nature.

This research is quantitative in nature because of the following: the research questions were carefully generated to indicate the relationship between identified variables, the development of appropriate research instruments focusing on the collection of primary data and analysis of data using statistical tools. The study basically used a quantitative research method to record the procedure and process through the use of questionnaires because it provided a more valid data taking into account the scope of the research (Ghauri and Gronhang, 2002). This allows accurate predictions about relationships between factors of accounting ethics and behaviours so that meaningful insights can be gained into these relationships (Hair et al., 2000).

Study Area

Sunyani municipality is one of the twelve districts in the Bono Region. The municipality was established on 10^{th} March 1989 by a legislative instrument (LI) 1473. This was the period Ghana adopted the District Assembly concept. The overall goal is to accelerate growth and development in the Municipality. The Sunyani West district was carved from this Municipality in November 2007. The Sunyani Municipal Assembly covers a total land area of 506.7 Km^2. It is located at the heart of Brong Ahafo Region lying between Latitudes 7^0 20’N and 7^0 05’N and Longitudes 2^0 30’W and $2^0$10’W. It is bordered on the north by Sunyani West District; west by Dormaa East District south by Asutifi District to the South and east by Tano North District. (Ghana Statistical Service, 2014)

Population

As stated by Polit and Hungular (1996), a population is the entire aggregation of cases that meet a designated set of criteria. Thus, a targeted group that the researcher is interested in obtaining information to reach out to a conclusion is on the challenges of accounting ethics. The total population of the study is the total number of employees of the selected organizations which included APA Microfinance Limited and selected universal banks in the Sunyani Municipality were used for the study.

Sampling Procedure

The sample in research is used to describe a subset or a portion of the total population Creswell (2011). Gyimah (2007) noted that sample is a subject or collection of some units of the universe or population selected for observation or analysis. Dunn (1999) also asserts that sample is a smaller unit or subsets bearing the same characteristics of the population of interest. The study adopted non-probability mode of sampling. According to Nicholas (2008), with non-probability sampling, population elements are selected on the basis of their availability (e.g., because they volunteered) or because of the researcher's personal judgment that they are representative.

Purposive sampling method under the non-probability sampling was used to sample for the Customers since this sampling method involves sampling with a purpose in mind such as accountants were used for the purpose of the research (Glen, 2015). Subsequently, convenience sampling method was used to sample accountants who were ready to take part in the study area at the time of data collection.

The researcher recognized the weakness in convenient sampling technique. She put adequate measures to ensure gender, age and other qualities expected of an accountant. This method helped the researcher to ensure that each stratum (universal banks selected) is represented proportionately within the sample. It is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand and also Creswell (2011) acknowledges that with convenience sampling, the samples are selected because they are accessible to the researcher.

The study used a sample size was ninety five (95) out of which seventy nine (79) was used in the analysis.

Data Collection Instruments

The study used both primary and secondary data. *(i) Primary Data (Field):* The information from the primary source was more reliable since it was gathered from questionnaires administered solely for the study. In getting primary data there are several approaches available to gather data. To collect reliable and valid information, the researcher contacted some departments within the selected organizations among others. *(ii) Secondary Sources:* The secondary sources of information included annual reports, brochures, and manuals. A number of both published and unpublished materials that were relevant to the study were also used. The sources of the secondary data include; periodicals, government publications on the topic, annual reports, publications, and so forth. This helped to identify how others have defined and measured key concepts, the data sources that others used and this helped to discover how this research is related to the work of others in management and administration.

Data Collection Procedures

The questionnaires were distributed to the sampled respondents to know how they comprehended the idea of the topic under discussion, its sustainability, the challenges associated with it, and the way forward. The researcher adopted some methods to get the required information for the study which included face-to-face interviews, observation, and contact with respondents on the phone where necessary. These instruments were chosen for the study because in considering the sampling size and time available for the research the method was considered the most appropriate method for obtaining information from respondents. The researcher largely used a face-to-face interview on both staff and management of the selected organization to ascertain further information that could enable the researcher to draw a tangible conclusion.

Data Processing and Analysis

The quantitative data collected from the field through the use of structured closed ended items were analyzed on a Statistical Package for Social Sciences (SPSS) version 20 and Microsoft excel software. Inferential and descriptive statistics were engaged in the data. The researchers employed probability technique to select sample respondents for inclusion in the sample for the study. They used random sampling techniques to select all the elements. Primary data for the study were obtained with the aid of questionnaire administered personally to the respondents.

Data collected included claim assessment, assessment of premium payment, customer complaining issues, and customer switching in insurance companies. Information on general characteristics of customers was also obtained. Data gathered were analyzed using descriptive statistics. The survey data were coded, verified and cleaned up, and then entered and analyzed using the SPSS programme. The findings of the study were presented using appropriate tables and charts to ensure easy interpretation analysis process.

Chapter Summary

The chapter presented the methodology and the literature about the present study. A lot of things came up to be a hindrance in this study. The researcher was hard-pressed with time as the researcher had to work alongside doing the research. Again, the likelihood of the unwillingness of some of the staff of the selected institutions to answer questions on the questionnaires was a major challenge. Some also answered them but not genuinely as is the case associated with researching with questionnaires. As such, the results of this study were not the truth as it but rather the truth as presented by respondents.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents data analysis, results, and discussions on the accountant's values and their influence on ethics.

Table 1: Demographic Factors of Respondents

Variables	Frequency	Percentage (%)
Gender		
Male	51	64.6%
Female	28	35.4%
Age		
26-30	47	59.5%
31-35	10	12.7%
18-25	9	11.4%
36-40	6	7.6%
40+	7	8.0%
Are you an accountant		
Yes	49	62.0%
No	30	38.0%
How long have you worked as an Accountant?		
1-5 years	51	64.6%
6-10 years	9	11.4%
11-15 years	6	7.6%
16-20 years	6	7.6%
Over 20 years	7	8.9%
What is your highest academic qualification?		
Diploma	48	60.8%
Degree	20	25.3%
Masters	6	7.6%
Chartered Accountant	5	6.3%
Are you working for		
A Private Sector Company	38	48.1%
An Accounting Firm	29	36.7%
Public Sector	12	15.2%
Have you ever had any workshops presented on ethics at your workplace		
Yes	49	62.0%
No	30	38.0%

Source: Field data (2020)

The demographic factors of respondents were considered by the study. The gender distribution data (Table 1) from the study revealed that most of the respondents were males representing 64.6% and the remaining 35.4% were females. According to the administered questionnaires, most of the respondents were within the ages of 26-30 which represented 59.5%, 12.7% were between the ages of 31-35, 11.4% were between the ages of 18-25, 7.6% were between the ages of 36-40 and 8% were between 40 and above. This is an indication that majority of the respondents were youthful. However, as indicated table above different sets of the respondents had different as indicated on the table. The occupation of respondents was also considered by the study and according to the administered questionnaires 62% of the respondents were accountants and the remaining 38% were not accountants but had an accounting background. Of the 62% who were accountants, they were asked the number of years they have worked as an accountant and according to the administered questionnaires 64.6% have worked as an accountant between 1-5 years, 11.4% worked between 6-10 years, 7.6% also have worked between 11-15 years, again the remaining 7.6% and 8.9% have worked between 16-20 and over 20 years respectively.

Educational level was also considered by the study and according to the study 60.8% had diploma, 25.3% had degree and the remaining 7.6% and 6.3% had Master's degree and chartered accountants respectively. Respondents sector of employment was also considered by the study 48.1% were working in a private sector company, 36.7% were working with an accounting firm and the remaining 15.2% were working in the public sector. The variable on the table 1 was whether respondents have attended workshop on accounting ethics and according to the administered questionnaires 62% said Yes they have attended workshops on ethics and the remaining 38% said No to this assertion.

Factors of Accounting Ethics

Table 2: Individual Factors

Variables	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Personal Morality	59.5%	12.7%	8.9%	8.9%	10.1%
Personal Beliefs	59.5%	8.9%	8.9%	12.7%	10.1%
Family Training	57.0%	12.7%	7.6%	11.4%	11.4%
Social Relationships	58.2%	7.6%	11.4%	11.4%	11.4%

Source: Field data (2020)

The questionnaires of the study were formulated based on the specific objectives in table 2, the study wanted to know the various factors of accounting ethics and the study had three categories of factors and macro factors. The table above shows the individual factors. The personal morality is a very important individual factor in accounting ethics. According to the study 72.2% of the respondents strongly agree that personal morality is a very important individual factor in the accounting ethics and life of an accountant, 8.9% undecided and the remaining 19% strongly disagree. This is an indication that personal morality is a very important factor. Personal belief is also another individual factor considered by the study and according to the study 68.4% strongly agree, 8.9% undecided and 22.8% strongly disagree. Family training according to the study is also another important individual factor in accounting ethics and according to the study 69.7% strongly agree to this, 7.6% of the respondents were undecided and the remaining 22.8% strongly disagree. The social relationships of the individual accountant were also considered according to the administered questionnaires 59.8% strongly agree, 7.6% were undecided and the remaining 22.8% strongly disagree.

Table 3: Organizational Factors

Variables	Strongly agree	agree	Undecided	Disagree	Strongly Disagree
Organizational Rules and Laws	59.5%	11.4%	7.6%	11.4%	10.1%
Organizational Culture	55.7%	11.4%	10.1%	11.4%	11.4%
Organizational Structure	55.7%	13.9%	7.6%	11.4%	11.4%

Source: Field data (2020)

Organizational factor is also another factor affecting accounting ethics, for an accountant to be ethically upright in the performance of their accounting duties organizations must have ethics to enhance professionalism and accurate financial reporting. The study considered organizational rules and laws as a very crucial factor in the life of every organization, according to the administered questionnaires 70.9% strongly agree that every organization employing accounting service in their operation must have organizational rules and laws that regulate accounting ethics, 7.6% were undecided and the remaining 21.5% strongly disagree. The culture of the organization is also another important factor. According to the administered questionnaires 67.1% strongly agree, 10.1% undecided and the remaining 22.8% strongly disagree. The structure of an organization promotes accounting ethics according to the administered questionnaires 69.6% strongly agree, 7.6% undecided and the remaining 22.8% strongly disagree.

Table 4: Macro Economic Factors

Variables	Strongly agree	agree	Undecided	Disagree	Strongly Disagree
Government	59.5%	7.6%	10.1%	8.9%	10.1%
Economic Conditions	59.5%	11.4%	7.6%	11.4%	10.1%
Social Conditions	55.7%	11.4%	10.1%	11.4%	11.4%
Political Environment	55.7%	13.9%	7.6%	11.4%	11.4%
Workplace Environment	59.5%	7.6%	10.1%	11.4%	11.4%

Source: Field data (2020)

The macroeconomic factor is also another set of factors affecting accounting ethics of an organization and their performance according to the administered questionnaires. Government is a factor because the government of the day must enact laws to regulate accounting ethics and 67.1% strongly agree, 10.1% undecided and the remaining 19% strongly disagree. Economic condition is also a factor as 70.9% strongly agree that economic condition is an ethic factor, 7.6% undecided and the remaining 21.5% strongly disagree. Social condition is a factor according to 67.1% of the respondents who strongly agree, 10.1% were undecided and the remaining 22.8% strongly disagree. Accounting ethics have factors, some of which are classified as external factors, for instance, the political environment as 69.6% strongly agree, 7.6% undecided however the remaining 22.8% strongly disagree. The study observed that the workplace environment is also a factor which 67.1% strongly agree, 10.1% undecided and 22.8% strongly disagree.

Table 5: Effects of Perceived Causes of Ethical Failure on Organizational Performance

Variables	Strongly agree	agree	Undecided	Disagree	Strongly Disagree
Doing personal business during working hours	59.5%	11.4%	7.6%	10.1%	11.4%
Falsification of reports	55.7%	11.4%	10.1%	11.4%	11.4%
Low productivity	55.7%	13.9%	7.6%	11.4%	11.4%
Violation of organizational rules	59.5%	7.6%	10.1%	11.4%	11.4%
Inducement for preferential treatment	63.3%	11.4%	7.6%	8.9%	8.9%
Stealing company logistics	59.5%	10.1%	10.1%	11.4%	8.9%
Concealment of individual errors	60.8%	10.1%	8.9%	11.4%	8.9%

Source: Field data (2020)

Table 5 illustrates the effects of perceived causes of perceived causes of ethical failure organizational performance. The failure of ethics in accounting has a lot of effects perceived to be the causes of ethical failure, according to the study doing personal business during working hours goes a long way to affect the organizational performance and productivity according to 70.9% of respondents who strongly agree, 7.6% were undecided about this and the remaining 21.5% strongly disagree. Falsification of reports is a major ethical failure which affects organizational performance because when reports are falsified the true reflection is not known. The study observed that 67.1% strongly agree, 10.1% undecided and the remaining 22.8% strongly disagree. Low productivity is recorded because the true reflection of state of affairs is not known to stakeholders according to 69.6% who strongly agree, 7.6% undecided and 22.8% strongly disagree. Violation of organizational rules also showed that 67.1% strongly agree, 10.1% undecided and 22.8% strongly disagree. Inducement for preferential treatment is also another effect of ethical failure according to 74.7% respondents who strongly agree, 7.6% undecided and the remaining 17.8% strongly disagree.

Stealing of company's logistics also affect organizational performance according to 69.6% who strongly agree, 10.1% undecided and 20.3% strongly disagree. The last effect is when the individual errors are concealed which goes a long way to affect organizational performance as 70.9% of the respondents strongly agree, 8.9% were undecided and the remaining 20.3% strongly disagree.

Table 6: Relationship between Accounting Ethics and Organizational Performance

Variables	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I take into consideration the impact the decision will have on the people affected and choose what seems to be right for most of them	60.8%	12.7%	6.3%	11.4%	8.9%
There is the truth contained in a company's records. I must reflect the truth no matter the consequences	63.3%	11.4%	7.6%	8.9%	8.9%
Accounting and Ethics are not related	59.5%	10.1%	10.1%	11.4%	8.9%
As an accountant, I expect to rarely if ever be confirmed with ethical questions. Accounting is about truth, not ethics	60.8%	10.1%	8.9%	11.4%	8.9%
The ethical questions that confront most accountants could be simplified, or even eliminated if they would just follow	60.8%	12.7%	6.3%	11.4%	8.9%
My only ethical duty as an accountant is to present the truth as the company's records and the evidence dictates	63.3%	11.9%	7.6%	8.9%	8.9%
I follow rules that are set down, like laws, and seek for a rule to govern all ethical situations	58.2%	12.7%	7.6%	11.4%	10.1%
What is best for the greatest number of people is ethical	59.5%	12.7%	7.6%	10.1%	10.1%
My ethical judgment is based on what is good for me	59.5%	10.1%	10.1%	10.1%	10.1%
What is best for me is what I will always choose	58.2%	10.1%	10.1%	11.4%	10.1%

Source: Field data (2020)

Table 6 shows how the relationship between accounting ethics and organizational performance and according to the administered questionnaires, respondents were asked about statements concerning accounting ethics and its effects on organizational performance, 73.5% strongly agree they take into consideration the impact of their decision on the people affected by their decision, 6.3% undecided and the remaining 20.3% strongly disagree. The truth or otherwise contained in the company's records was also considered by the study since records have direct impact on organizational performance. Again, respondents were also of the view that they must reflect the truth no matter the consequences as 74.7% strongly agree, 7.6% were undecided about this statement as 17.8% strongly disagree.

Sections of the respondents were of the view that accounting and ethics were not related and according to the administered questionnaires 69.6% of the respondents strongly agree that accounting and ethics are related, 10.1% undecided and the remaining 20.3% strongly disagree. According to the study, accountants were of the view that most ethical questions confronting accountants must be simplified or even eliminated, 73.5% strongly agree, 6.3% undecided and the remaining 20.3% strongly disagree.

Some of the respondents clearly understood the ethical duty on the part of the accountant. According to the administered questionnaires, 75.2% of the respondents strongly agree that their only ethical duty as an accountant is to present the truth as the company's record and the evidence dictates, 7.6% undecided, however, the remaining 17.8% strongly disagree.

Discussion of Results

The factors of accounting ethics

The results of the study in table 1, 2 and 3 found out that there are so many factors considered in accounting ethics and this study contributes to knowledge as it provided deep insight into a reason why ethics seem not to be promoted in organizations. The study provided insights into the ethics awareness level of accountants. Again on the factors, the study examined the multiple dependence relationships simultaneously of the various factors of accounting ethics. These factors include individual factors, organizational factors and macro factors. The study again found that each of the category of the fctors palys a vital role in accounting ethics.

The personal morality is a very important individual factor in accounting ethics. According to the study 72.2% of the respondents strongly agree that personal morality is a very important individual factor in the accounting ethics and life of an accountant, 8.9% undecided and the remaining 19% strongly disagree.

The study considered organizational rules and laws as a very crucial factor in the life of every organization, according to the administered questionnaires 70.9% strongly agree that every organization employing accounting service in their operation must have organizational rules and laws that regulate accounting ethics, 7.6% were undecided and the remaining 21.5% strongly disagree. The culture of the organization is also another important factor. According to the administered questionnaires 67.1% strongly agree, 10.1% undecided and the remaining 22.8% strongly disagree.

Organizational factor is also another factor affecting accounting ethics, for an accountant to be ethically upright in the performance of their accounting duties organizations must have ethics to enhance professionalism and accurate financial reporting. The study considered organizational rules and laws as a very crucial factor in the life of every organization, according to the administered questionnaires 70.9% strongly agree that every organization employing accounting service in their operation must have organizational rules and laws that regulate accounting ethics, 7.6% were undecided and the remaining 21.5% strongly disagree.

The macroeconomic factor is also another set of factors affecting accounting ethics of an organization and their performance according to the administered questionnaires. Government is a factor because the government of the day must enact laws to regulate accounting ethics and 67.1% strongly agree, 10.1% undecided and the remaining 19% strongly disagree. Economic condition is also a factor as 70.9% strongly agree that economic condition is an ethic factor, 7.6% undecided and the remaining 21.5% strongly disagree. Social condition is a factor according to 67.1% of the respondents who strongly agree, 10.1% were undecided and the remaining 22.8% strongly disagree.

Whilst some scholars reject the idea completely, others are sceptical about the effectiveness of ethical accounting. Still, others are neutral and adopt a "there is no harm in trying" disposition, and others are positive about its benefits and support it (McDonald and Donleavy, 2016).

Sims (2002) found that the first step in instituting a policy was for the faculty to declare that it believes in the importance of ethics education. Also, if policy makers do not believe in the relevance and effectiveness of incorporating ethics content into the curriculum, they will not be willing to commit time and resources to see it through (Uyar and Gungormus 2013).

The effects of perceived causes of ethical failure on organizational performance

The effects of perceived causes of perceived causes of ethical failure organizational performance. The failure of ethics in accounting has a lot of effects perceived to be the causes of ethical failure, according to the study doing personal business during working hours goes a long way to affect the organizational performance and productivity according to 70.9% of respondents who strongly agree and the remaining 21.5% strongly disagree. Falsification of reports is a major ethical failure which affects organizational performance because when reports are falsified the true reflection is not known. The study observed that 67.1% strongly agree, 10.1% undecided and the remaining 22.8% strongly disagree. Low productivity is recorded because the true reflection of state of affairs is not known to stakeholders according to 69.6% who strongly agree, 7.6% undecided and 22.8% strongly disagree. Violation of organizational rules also showed that 67.1% strongly agree, 10.1% undecided and 22.8% strongly disagree. The study used a Likert scale to allow respondents to better express themselves well. The study unearthed several variables that helped the researcher to identify the organizational performance of the selected institutions in the selected institution, 70.9% of the respondents strongly agree that it is unethical to do personal business during company hours.

Unfortunately, individuals and groups within organizations often perceive rights and morals differently. As a result, the question of who has the right to make certain decisions and to take certain actions is debatable, (Williams, 1986). Furthermore, wrong behaviors doubtlessly lead to bankruptcy, low growth rate, and contribute to macroeconomic instability in financial respects of the institutions, organizational ethical failures are not limited to an organization chart or building, but they adversely affect the external environment too. Organizations are open systems that depend on their environment both for survival, & growth. Unlawful & unethical actions by organizations doubtlessly affect the attitude of customers.

The relationship between accounting ethics and organizational performance

Nowadays, companies are challenged to meet by performance the values, interests, and expectations of the society at large. The main objective of any society is to ensure sustainable growth in the current context of globalization, taking into account the new standards imposed by the requirements of sustainable development. Sections of the respondents were of the view that accounting and ethics were not related and according to the administered questionnaires 69.6% of the respondents strongly agree that accounting and ethics are related, 10.1% undecided and the remaining 20.3% strongly disagree. According to the study, accountants were of the view that most ethical questions confronting accountants must be simplified or even eliminated, 73.5% strongly agree, 6.3% undecided and the remaining 20.3% strongly disagree.

The diversity of existing definitions in the scholarly literature creates ambiguity rather than clarity in defining performance. The study observed that there is a direct link between accounting ethics and organizational performance and that highly ethical accountants can increase the productivity of their organizations and their performance.

Unethical actions backpedal the achievement of the organization's target success and potential growth in financial terms as well as in strategic objectives. Unethical and or unlawful actions affect customer’s attitudes towards the organization adversely. To overcome, if not to minimize unlawful and immoral behavior, exemplary leadership, sound accounting. Management and information access and control systems, equitable and timely legal corrective measures, and salary improvements are considerably important points. In summary, good ethical actions lead to good overall organizational performance and environmental care.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents a 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.

Summary

The study was conducted on accountants in the accounting firms in the Sunyani Municipality. The objectives of the study were; to identify the factors of accounting ethics, Find out the effects of perceived causes of ethical failure on organizational performance; and analyse the relationship between the accounting ethics and organizational performance, the study found out that individual factors (i.e. gender, age, work experience, educational level) that can influence an accountant's ethical decision-making and the degree of importance in which some personal values influence organizational performance. The study employed a case study design approach, which employed a well-structured questionnaire with 79 respondents for the study. Data analysis was done using statistical packages such as SPSS version 20. The study also found out that Focus of businesses nowadays is on maximizing profit, confronting with competitive challenges and emphasis on short-term results have all put accountants in an environment full of contrasts and pressures, leading to unethical consequences for them

The competence of accountants was considered to be high in regard to their professional knowledge, being proactive and providing professional guidance in matters concerning financial reporting and being considered as professionals by other employees in the banks.

Moreover, the accountants were able to effectively communication with their peers in the larger banks, attended educational seminars regularly and were able to maintain their knowledge.

Conclusions

The study concluded that ethical accounting practices include confidentiality, professional competence, objectivity, and integrity of the accountants in the performance of their duties on the financial reporting to a larger extent.

Individually, the study concluded that accounting ethics and significant predictive influence on organizational performance.

Unethical actions have a negative effect on interpersonal relationship and between management and employees. It is evident from the data analyzed that bad behaviors foster hostility among accountants and management over scarce resource use, while they impair management's right and power over some actions and decisions to be made; making managements legitimate power questionable

There is an important place within the accounting regulations for decisions that decisions are often made in situations where the rules are not clear enough and the line of delimitation between what is acceptable and what is not feasible is not always easy to withdraw, accounting is considered one of the most ethically demanding professions.

Ethical challenges in the process of ensuring the quality of financial reporting stand in front of professional accountants, management, auditors, legislative and regulatory bodies, majority owners, financial and legal advisers, and politicians. The study concludes that there exists a positive and significant relationship between objectivity, integrity, honesty, self-control, and ethical perception. The study found out that there is a positive relationship between accounting ethics and organizational performance.

Recommendations

It is recommended that socio-economic characteristics of accountants including gender, age, work experience, and education be given more attention in pursuing accounting education since there exists a positive and significant relationship between the three types of factors of accounting ethics and organizational performance.

It is recommended that management of accounting organization should pay more attention to the individual values qualities and develop appropriate training on ethics for their accounting employees and all accountants to increase productivity.

Organizations should ensure that their structure and cultures are aligned with ethical principles in their accounting processes.

There should be specific procedures to identify and deal with issues of ethical misconduct of accountants violating accounting ethics.

Staff training in basic accounting ethics will help enhance the effectiveness in accounting systems. Capacity building of accountants and their staff will help the reform to succeed.

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APPENDIX

CATHOLIC UNIVERSITY COLLEGE OF GHANA, FIAPRE

GRADUATE SCHOOL

MASTERS OF BUSINESS ADMINISTRATION

SECTION A: Demographic Factors

1. Gender
   a. Male [ ]
   b. Female [ ]
2. Age
   a. 18-25 [ ]
   b. 26-30 [ ]
   c. 31-35 [ ]
   d. 36-40 [ ]
   e. 40+ [ ]
3. Are you an accountant?
   a. Yes [ ]
   b. No [ ]
4. How long have you worked as an Accountant?
   a. 1-5 years [ ]
   b. 6-10 years [ ]
   c. 11-15 years [ ]
   d. 16-20 years [ ]
   e. Over 20 years [ ]
5. What is your highest academic qualification?
   a. Diploma

b. Degree

c. Masters

d. Chartered Accountant

e. Others Specify……………………….

6. Are you working for?

a. A Private Sector Company

b. An Accounting Firm

c. Public Sector

7. Have you ever had any workshops presented on ethics at your workplace?

a. Yes [ ]

b. No [ ]

8. Are you religious?

a. Yes [ ]

b. No [ ]

Factors of Accounting Ethics

Kindly use the scale in the table below to rate the degree of importance in which the following personal values influence ethical perception of Accountants. A scale of 1 to 5 is used where **1** represents **of strongly agree** and **5** represents strongly disagree

Completely important. **Please tick (√).**

INDIVIDUAL FACTORS	1	2	3	4	5
Personal Morality					
Personal Beliefs					
Family Training					
Social Relationships					
ORGANIZATIONAL FACTORS	**1**	**2**	**3**	**4**	**5**
Organizational rules and laws					
Organizational Culture					
Organizational Structure					
MACRO-FACTORS	1	2	3	4	5
Government					
Economic Conditions					
Social Conditions					
Political Environment.					
Workplace Environment					

SECTION C: The Effects of Perceived Causes of Ethical Failure on Organizational Performance

The following are fundamental values or Guides for conduct. Please rate your ethical perceptions of such conduct on a scale of 1 to 5 where **1** represents Strongly Agree and 5 Strongly Disagree **Please tick (√).**

VARIABLES	1	2	3	4	5
Doing personal business during working hours.					
Falsification of reports					
Low productivity					
Violation of organizational rules					
Inducement for preferential treatment					
Stealing company logistics					
Concealment of individual errors					

SECTION D: Relationship between the Accounting Ethics and Organizational Performance.

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 agree and 5 – Strongly disagree. Please tick (√)**

VARIABLES	1	2	3	4	5
I take into consideration the impact the decision will have on the people affected and choose what seems to be right for most of them.					
There is the truth contained in a company's records. I must reflect the truth no matter the consequences.					
Accounting and Ethics are not related					
As an accountant, I expect to rarely if ever be confirmed 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.					
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, and seek for a 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 ethical issues facing the accounting profession and business community in general.					