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Ethical Decision-Making Accounting Competencies: Practitioners' Perspectives

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ETHICAL DECISION-MAKING ACCOUNTING COMPETENCIES:

PRACTITIONERS' PERSPECTIVES

by

Gwendolyn Parrish Meador

A Dissertation
Submitted to the Graduate School,
the College of Science and Technology,
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at The University of Southern Mississippi
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ABSTRACT

ETHICAL DECISION-MAKING ACCOUNTING COMPETENCIES:

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Recent accounting and corporate scandals call into question the ethicality of accounting practice, likewise accounting graduates. Advances in ethical accounting education are not emphasized in today's business schools leaving accounting graduates lacking necessary ethical accounting competencies to make ethical accounting decisions (Abend, 2013; Mastracchio, Jiménez-Angueira, & Toth, 2015; Waples, Antes, Murphy, Connelly, & Mumford, 2009).

Cognitive moral development theory (Kohlberg & Hersh, 1977), stakeholder theory (Freeman, 2004), and organizational mindfulness theory (Ray, Baker, & Plowman, 2011) provide a theoretical framework supporting issues of accounting graduates' ethicality, practitioner in the role of ethical decision-maker, and organizational awareness and performance of business schools.

The purpose of this study is to determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. An additional purpose is to identify ethical accounting issues and behaviors experienced by practitioners. Finance and accounting practitioners, through qualitative interviews, provide professional perspectives relevant to ethical accounting practice topics to demonstrate practice-oriented understanding and knowledge of ethical accounting decision making. Interpretative phenomenological analysis was used to investigate ethical business experiences and interpret professional's perceptions.

Practitioners recognize problems due to lack of trust within their organizations. Additionally, they provide experiences where amoral decision making resulted in inappropriate treatment of accounting standards and principles. Study practitioners identified six ethical accounting competencies useful in ethical decision making. These competencies and other strategies could be valuable to accounting educators in developing ethical accounting curriculum.

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DEDICATION

I dedicate this dissertation to my husband, Lindsey, and my children, Allyn, Elliot, Erin and Alyce. Thank you all for your love and support.

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LIST OF ABBREVIATIONS

AAA	American Accounting Association
AICPA	American Institute of Certified Public Accountants
CPA	Certified Public Accountant
EPM	Enterprise Performance Management
I*MA*	Institute of Management Accountants
MAS	Management Accounting Section
PwC	PricewaterhouseCoopers

CHAPTER I – INTRODUCTION

Evidence suggests that ethical accounting education can equip graduates with practical competencies for judgment and sound moral reasoning to make ethical choices in business decision making (Dellaportas, Kanapathippillai, Khan, & Leung, 2014; Miller, Becker, & Pernsteiner, 2014; Saat, Porter, & Woodbine, 2012; Thomas, 2012). Ethical choices impact graduates over the span of their careers (Maclagan & Campbell, 2011). For instance, graduates, who become future public accountants, must adhere to ethical principles and codes of conduct within their profession in the preparation, review, and communication of financial information to potential users (Spiceland, Sepe, Nelson, & Thomas, 2016). Moreover, in today's business world of globalization and fast-paced technological progress, the public expresses heightened expectations regarding trustworthiness of accounting practitioners (Needles, 2014). Both the academic and practicing sectors of the profession can benefit from collaboration and use of innovative pedagogy to enhance student enthusiasm in accounting careers and strengthen public confidence and trust in the practice of accounting (Pathways Commission, 2012; Wilson, 2014).

Throughout history, education's social significance emerged from teaching particular moral principles and shaping behavior (Boyce, 2002). Likewise, business schools at universities originated to teach moral principles and provide services to society such as social improvements, reform, or welfare (Abend, 2013). Specifically, business schools promoted development of a business profession, which stressed service to society and adherence to a code of ethics, rather than profit maximization (Khurana, 2007). However, modern academic schools of business no longer rely on business professionals and practice for guidance, and they exhibit less concern for shaping moral behavior of graduates (Ferlie, McGivern, & De Moraes, 2010; Stuart, Stuart, & Pedersen, 2014). Black (2012) notes the existence of a gap, beginning in the 1980s, in what accounting educators include in accounting curriculum and what accounting practitioners believe graduates need in preparation for a career in business.

Inclusion of an ethics course in accounting curricula can provide an explanation and demonstration of ethical awareness for students and aid in developing particular competencies for graduating students to succeed in the business world (Armstrong, 1993; Cooper, Leung, Dellaportas, Jackling, & Wong, 2008; Geary & Sims, 1994; Lawson et al., 2014). Such courses may enhance accounting graduate employability with transferrable skills (Graham, 2012; Watty, 2014). Further, a student's development of ethical competencies may enhance long-term professional careers and add value to the organization (Lawson et al., 2014). Consequently, ethics education may be "an important lever for changing business" (Gentile & Samuelson, 2005, p. 2).

This chapter provides a general discussion of the research problem and explains the relevance of the research topic. The chapter presents the problem statement and the purpose of the research. Additionally, the chapter includes a conceptual framework, which focuses on the underlying theories, constructs, and outcomes. Research objectives formulated as goals of the project are discussed. Finally, the chapter denotes key definitions, limitations and delimitations.

Background

Public accountants, as members of a profession, develop accounting knowledge, which has the potential to influence business decisions, shape society and create opportunities for human development (Arrington & Francis, 1993; Kuchinke, 2010; Schweiker, 1993; Stuart et al., 2014). Human capital development has an important goal of human development through improvements in health, education, welfare, security, and social justice (Kuchinke, 2010). In order to serve the public good, ethics within the accounting profession involves developing standards for behavior (Abbott, 1988).

The theoretical underpinnings of human capital development highlight a positive correlation between education and training for individuals and businesses and the financial returns they seek (Swanson & Holton, 2009). Human capital development theorists argue investments in human resources impact economic growth (Becker, 1993; Schultz, 1960). Carnevale, Smith, and Strohl (2010) assert higher education in the near future will reach extraordinary heights due to fast growing industries, such as computer and data processing; also, generally, all occupations will require more education. By 2018, the economy will create 46.8 million openings; nearly two-thirds will require workers who have some education (Carnevale et al., 2010). However, the quality of workers is a consideration. Crouch, Finegold and Sako (2001) stress workforce quality remains fundamental to economic success.

Research in the field of accounting suggests accounting practitioners are failing in maintaining the high quality required of their profession (Beverungen, Dunne, & Hoedemaekers, 2013; Carnegie & Napier, 2010; Ferguson, Collison, Power, & Stevenson, 2011; Gray, Bebbington, & McPhail, 1994; Staubus, 2005). Unethical behavior permeates recent accounting and organizational history. News venues continuously recount accounting and corporate scandals. For example, the accounting and corporate failures early in the 21st century—specifically, scandals involving Enron, Arthur Anderson, and WorldCom, reached such magnitude and impacted a myriad of stakeholders that the American public lost confidence in businesses (Abend, 2013; Carnegie & Napier, 2010). Additionally, the prevalence of reports exploiting workers, deceiving customers and suppliers, and polluting the environment continue to adversely affect many people. For instance, the U.S. government accuses Volkswagen of cheating on emissions testing systems to lower the reported levels of nitrogen oxides in 11 million of its vehicles from 2009 onward (Le Page, 2015). Volkswagon and its affiliates, Audi and Porsche, as well as their American Subsidiaries, have agreed to pay more than $157 million to 10 states as settlement of a law suit (Gagnon, 2017).

In 2008, the United States made difficult choices between risking the total collapse of its financial system or infusing trillions of taxpayer dollars into the financial system and various entities to lessen further loss of American jobs, homes and savings (Commission, 2011). The National Commission on the Causes of the Financial and Economic Crisis in the United States, pursuant to public law, examined 22 specific topics for inquiry, including reasons for the collapse of bankrupt financial institutions; these financial institutions would have failed if not for the intervention from the federal government (Commission, 2011).

The National Commission on the Causes of the Financial and Economic Crisis made public its final report in January 2011, stating reasons and conditions of the 2008 economic crisis. Commission (2011) disclosed the following six major findings and conclusions:

1. This financial crisis was avoidable;

2. Widespread failures in financial regulation and supervision proved devastating to the stability of the nation's financial markets;
3. Dramatic failures of corporate governance and risk management at many systemically important financial institutions were a key cause of this crisis;
4. A combination of excessive borrowing, risky investments, and lack of transparency put the financial system on a collision course with crisis;
5. The government was ill prepared for the crisis, and its inconsistent response added to the uncertainty and panic in the financial markets; and
6. A systemic breakdown in accountability and ethics affected the integrity of the financial markets. (pp. xvii-xxii)

The financial crisis is the reason investors, businesses, and the public do not trust business executives (Abend, 2014; Commission, 2011; Yandle, 2010).

Multiple groups from the accounting profession suffer incrimination in these business failures and scandals. Some of those groups are corporate accountants and financial managers, auditors, academic accountants, analysts, regulators, and individuals responsible for setting accounting standards (M. J. Jones, 2011). However, business schools share some of the responsibility for the widespread public mistrust, having "produced ruthlessly talented graduates who have ambition in abundance but little sense for social responsibility or ethics" (Beverungen et al., 2013, p. 3).

In the United States, State Boards of Accountancy set guidelines and requirements for all graduates entering the profession ("Candidate Bulletin", 2016). Consequently, the goals of individual state boards influence university curriculum development (Mastracchio, Jiménez-Angueira, & Toth, 2015). Currently, only five state boards

(California, Illinois, Maryland, Texas, and West Virginia) in the United States require an ethics course for graduating accounting students to enter the accounting profession (Mastracchio et al., 2015). Further, although most states in the United States require recurrent ethical training for members of the accounting profession, requirements are limited to discussion of state board regulations, but fall short of training in ethical situations, concepts and theories (Mastracchio et al., 2015).

Scholars agree, ethical accounting education aids in solidifying public trust in the accounting profession (Abend, 2014; Mastracchio et al., 2015; Waples et al., 2009). However, accounting educators, who may agree with the necessity to strengthen the ethicality of graduates and aspire to include ethics training in accounting education, are unfamiliar with the academic disciplines underlying ethics research (Armstrong, 1990; Gaa & Thorne, 2004; Martinov-Bennie & Mladenovic, 2015). Accounting educators doubt whether ethics can be taught and to what extent ethics instruction may be helpful; they question which approaches are most effective in developing moral reasoning in students (Armstrong, 1990; Gaa & Thorne, 2004; Miller et al., 2014). Lack of progress in advancing ethical accounting education arises from educators' ambivalence regarding the practicality and feasibility of an ethics course (Gray et al., 1994; Miller et al., 2014).

Academia and accounting practitioners debate inclusion, delivery, and development of current curriculum strategies in ethical accounting education (Boyce & Greer, 2013; Lampe & Engleman-Lampe, 2012; Lawson et al., 2014; McManus, Subramaniam, & James, 2012; Tan, Satin, & Lubwama, 2013; Young & Annisette, 2009). For instance, Boyce and Greer (2013) argue certain elements of accounting education should be set in the context of students and teachers' "real lives;" and, Lampe and Engleman-Lampe (2012) debate inclusion of mindfulness meditation for decision making in accounting education. Alternatively, the Pathways Commission (2012) asserts a need for competency development relevant to the challenges of a modern business environment and adds value to organizations. Accounting's value proposition entails "strategy formulation and analysis, planning, and execution" to help organizations succeed (Lawson et al., 2014, p. 298). Additionally, Lawson et al. (2014) propose accounting education adopt a long-term career focus, as opposed to preparing a graduate solely for an entry-level position. To accomplish these educational goals, the researchers propose integrating in the curriculum two categories of competencies, broad management competencies and accounting competencies, which have ethical applications in accounting curriculum. Examples of ethical applications are labor practices, human rights, health and safety, pursuit of excellence, and societal responsibility (Lawson et al., 2014).

Broad management competencies, specifically ethics and social responsibility, help managers and accountants consider system-wide operations (i.e., finance, investments, human resource management, marketing, economics, business law, mergers and acquisitions, and globalization) to create organizational value. Simultaneously, accounting competencies, specifically professional values, ethics, and attitudes, enable managers and accountants to incorporate analytics and technology in management and execution of strategy to create organizational value (Lawson et al., 2014). Despite the debate concerning the status of ethical accounting education, Hopper (2013) argues students and employers desire, and the public interest compels, curriculum and pedagogical reform in accounting education; and reform lies with accounting academics.

Statement of the Problem

Accounting educators are challenged to instill the importance of ethics in their students before they graduate and begin a career in business (A. Jones, 2010; Lawson et al., 2014; Marttinov-Bennie & Mladenovic, 2015). However, accounting and business scandals, which produce a profound financial effect on business owners and stakeholders continue to occur (M. J. Jones, 2011). These scandals draw attention to questionable accounting practices and may stem from effects of globalization and rapid changes in technology, which have changed the way business is conducted (Boyce, 2008, 2014; Waples et al., 2009). Broad acceptance of ethics education is needed, but lacks emphasis on accounting curriculum (Gaa & Thorne, 2004; Treadway et al., 1987). Advances in ethical accounting education are not emphasized in today's business schools leaving accounting graduates lacking necessary ethical accounting competencies to make ethical accounting decisions (Abend, 2013; Mastracchio et al., 2015; Waples et al., 2009). Research shows little progress toward adaptation of modern curriculum strategies (Abend, 2013; Mastracchio et al., 2015; Waples et al., 2009).

Purpose of the Study

The purpose of this study is to determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. An additional purpose is to identify ethical accounting issues and behaviors experienced by practitioners. Ethical accounting competencies established in accounting practice should be developed in ethical accounting education (Treadway et al., 1987; Pathways Commission, 2012)

Research Objectives

This study focuses on the perceptions of accounting practitioners regarding ethical competencies required for making ethical accounting decisions. Three research objectives drawn from an analysis of related literature include the following:

RO1. Describe the demographics of participants (i.e., gender, educational level, years of business experience, professional certifications, business position, and industry type).

RO2. Determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions.

RO3. Identify ethical accounting issues and behaviors experienced by practitioners.

Conceptual Underpinnings for the Study

Trust in the accounting profession is an antecedent to providing support for complex economic systems (Voynich, 2005; Pathways Commission, 2012). Trustworthiness of individuals stems from possession of characteristics such as ability, benevolence, and integrity (Mayer, Davis, & Shoorman, 1995). Accountants fulfill their professional responsibilities through the development of competencies, such as technical knowledge and skills, as well as the ability to apply sound judgment in ethical business decision making (Pathways Commission, 2012). Consequently, a competency framework, which includes integration of knowledge, skills, and ethics can be an effective goal for accounting education (Pathways Commission, 2012). The effectiveness of the variables in this study is based on various theories pertinent to student ethicality, practitioner in the role of ethical decision-maker, and organizational awareness and performance of accounting educators.

The Conceptual Framework, as shown in Figure 1, graphically describes principal constructs of the study. The first objective of the study is to determine the demographics of individuals participating in the study. Information concerning gender, educational level, years of business experience, professional certifications, business position, and industry type are included. The second objective is to determine practitioner perspectives of ethical accounting competencies required for making ethical accounting decisions. Last, the third objective identifies ethical accounting issues and behaviors experienced by practitioners.

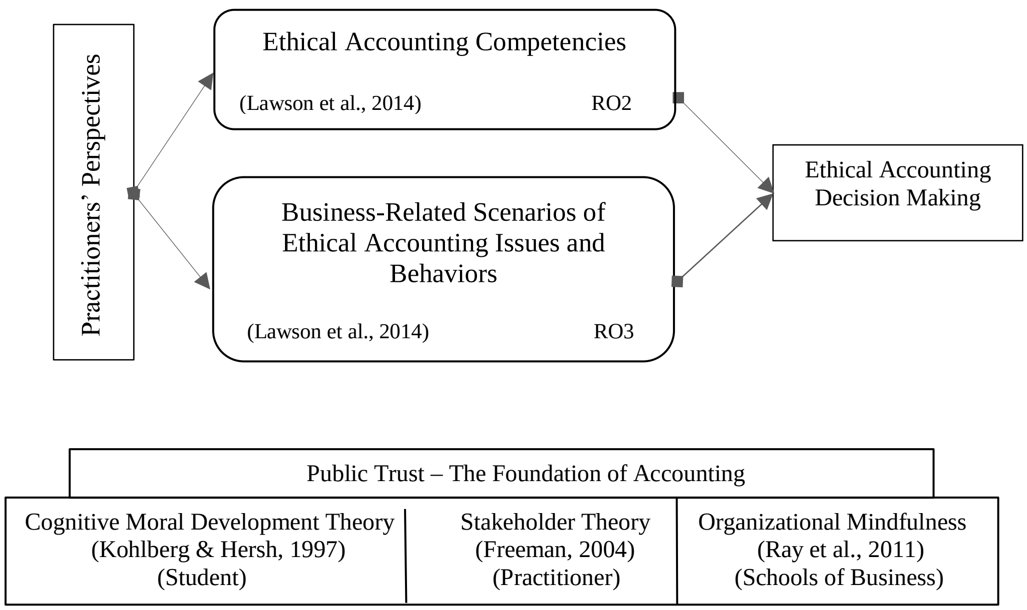

Figure 1. Conceptual Framework

Three theories serve as the foundation of this study: (a) Kohlberg's moral development theory, (b) stakeholder theory, and (c) organizational mindfulness. Cognitive moral development theory, advanced by Kohlberg, remains the principal theory used by educational researchers in business ethics (Ferrell, Fraedrich, & Ferrell, 2012; Lau, 2009; Waples et al., 2009). Cognitive moral development theory guides the educator in developing ethical curriculum (Kohlberg & Hersh, 1977). The theory proposes individuals, not society, determine right and wrong; further, an individual's moral orientation transforms over time in a definite, prescribed order (Kohlberg & Hersh, 1977). The researchers argue the intention of education should be personal development over a period of a students' life toward a higher level of moral reasoning (Kohlberg & Hersh, 1977). Cognitive moral development theory supports and explains the aim of research objective two in determining ethical competencies useful in making accounting decisions.

Secondly, accountants draw on theories of moral philosophy in making ethically sound business decisions. According to Thorne (1998), a close similarity exists between accountants' ethical reasoning processes and prudent decision making. Stakeholder theory, a leading managerial concept for practitioners, attempts to explain and guide the structure and operation of the corporation based on underlying moral or philosophical principles (Donaldson & Preston, 1995). The stakeholder theory argues organizations exist for the benefit of all stakeholders (e.g., owners, customers, employees, suppliers, governments, and others; Carroll, 1991). Organizations, which consider a stakeholder approach, invest in relationships with individuals who have a stake in the organization, and are able to affect the success of the business (Dess & Robinson, 1984; Freeman, 2004; Schendel & Hofer, 1979). Accordingly, stakeholder theory addresses research objective two by providing a framework for ethical decision making useful in the education of accounting graduates and their productive purpose in society.

Organizational mindfulness theory can be applied to business schools, which have a strong relationship with business organizations, sharing goals of development and employment of well-prepared, productive graduates. The practice of management accounting undergoes constant change; business schools must respond quickly by adjusting accounting learning objectives, curriculum, and pedagogy to meet the current human capital needs of the profession (Ray, Baker, & Plowman, 2011). "Mindful" business schools are more likely to achieve shared goals (Ray et al., 2011, p. 191).

Other organizations, such as accrediting organizations, accounting education associations, and state licensing boards depend upon schools of business to react quickly in making recommendations for change. Behn et al. (2012) propose a gap exists between the practice of accounting and accounting education. For this reason, the researchers recommend "practitioner-education exchanges" (Behn et al., 2012, p. 597) to inform the academy of existing accounting practice scenarios. Organizational mindfulness theory directly relates to and informs research objective three. This objective determines practitioners' recommendations for notable accounting scenarios important in development of ethical accounting curriculum.

Significance of the Study

Accounting educators must provide accounting students with more intense classroom exposure to ethical accounting education in the development of ethical competencies (A. Jones, 2010; Lawson et al., 2014; Marttinov-Bennie & Mladenovic, 2015). Implications of the current research in ethical accounting education support curriculum expansion and competency integration in accounting programs, potential classroom interventions to increase student competency and ethical behavior, and development of training programs for graduates in the field of accounting.

Further implications for the results of this study include university re-assessment of curriculum policies to intensify formal ethical instruction throughout business schools, and possibly across the university curriculum. State Boards of Accountancy may change the Certified Public Accountant (CPA) licensure prerequisites by requiring ethics education for certification, modeling the benefits to other state boards, colleges and universities, and the remaining accounting profession (Mastracchio et al., 2015).

A collaboration between working accountants and accounting educators can create opportunities for curriculum development of a "foundational clinical learning experience, including substantive learning experiences and substantive practice experiences," (Pathways Commission, 2012, p. 2), accomplishing an action item suggested by the Pathways Commission.

Limitations

Mistrust in accounting and management professionals warrant additional research in ethical accounting education. Participants in the study include accounting and finance professionals who are members of a professional association, the Institute of Management Accountants (IMA) and have two years of experience in accounting and finance. The study uses a non-probabilistic sampling technique. According to Patton (2015), a non-probabilistic sampling technique can negatively affect the researcher's ability to generalize. Additionally, the study is limited to participants' self-reported perceptions of their prior professional experiences in the business world and may not reflect reactions of the national population of professionals and organizations. Results of the study cannot be generalizable to professionals with a different demographic composition.

Delimitations

This study was confined to interviewing accounting and finance professionals, who work in various roles within organizations, represent numerous industries and varying sizes of organizations, and typify different educational backgrounds. Not all business environments were represented. The interview questions investigate ethical accounting competencies determined important by practitioners in ethical accounting decision making. Additionally, interview questions ask practitioners to describe situations or dilemmas for which the practitioner had to make an ethical decision.

Definition of Terms

The terms in this research stem from the literature review and are essential to understanding the current study. For the purposes of this research, the following definitions are relevant:

1. *Ability* – "Group of skills, competencies, and characteristics that enable a party to have influence with some domain" (Mayer et al., 1995, p. 717).
2. *Accounting ethics* – "A part of business ethics, which is itself associated with organization, personal, and societal ethics" (Wilson, 2014, p. 536).
3. *Competency* – "A cluster of individual behaviours that lead to superior results in one aspect of a job" (Mukherjee, 2011, p. 3).
4. *Ethics* – "The field of inquiry that concerns the actions of people, in situations where these actions have effects on the welfare of both oneself and others" (Gaa & Thorne, 2004, p. 1).

5. *Profession* – “A group of individuals who come together because they ascribe to a common set of values and have a general consensus about how to promote those values within society” (McPhail & Walters, 2009, p. 367).

6. *Stakeholder* – “Any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984, p. 46).

7. *Social Responsibility* – “Decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (Davis, 1960, p. 70).

8. *Trust* – “The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer et al., 1995, p. 712).

9. *Trustworthiness* – “A trait of character that inspires confidence for those who rely on the good intentions of others to perform services competently and in their best interest” (Mintz, 1995, p. 252).

10. *Values* – “The basic and fundamental beliefs that guide or motivate attitudes or actions” (Mintz, 1995, p. 251).

11. *Virtues* – “Dispositional properties that enable accountants to meet their ethical obligations to employers, clients, and the public at large” (Mintz, 1995, p. 251).

Summary

Accounting education has the ability to train graduates for ethical decision making in their careers. Business schools at universities originated for this purpose. The history of accounting education dating back to the 1980s highlights a widening gap between what accounting educators teach in university curriculum and the competencies accounting practitioners report as necessary for a career in business (Black, 2012).

University schools of business in today's business environment must strive to educate accounting students to meet a wide range of requirements and responsibilities in a variety of organizational settings (Lawson et al., 2014). Today's integrated curriculum must be a prudent effort to develop student ethical accounting competencies for successful careers (Lawson et al., 2014; Siegel, Sorensen, Klammer, & Richtermeyer, 2010b). Lawson et al. (2014) suggest ethical competencies (e.g., labor practices, human rights, health and safety, pursuit of excellence, societal responsibility), as well as required technical knowledge, should guide the professional in a wide-range of roles and leadership.

This study determines practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. Further, the study identifies ethical accounting issues and behaviors experienced by practitioners.

The remainder of this research is organized into four chapters. Chapter II includes a review of relevant literature to establish the impact of trustworthiness on the accounting profession and its stakeholders, provide an overview of ethics in accounting education, and present current strategies of ethical accounting education. Chapter III presents the research objectives and discusses the research methodology. Chapter III also describes the instrument, participants, and details of data collection techniques. Additionally, procedures ensuring validity and reliability are included in this chapter. Confidentiality procedures to protect participants are provided. Finally, planned data analysis utilizing the Interpretative Phenomenological Analysis approach and NVivo qualitative analysis software are explained.

The last two chapters contain the results of the study. Chapter IV presents the analysis of data collected in the study. Chapter V summarizes the results of the data analysis and discusses the findings, conclusions, and recommendations.

CHAPTER II – REVIEW OF RELATED LITERATURE

The literature review identifies the concepts of the study and aids in development of a conceptual framework to guide the study. This literature review focuses on three relevant themes:

1. Trust in the accounting profession as an antecedent to providing support for complex economic systems,
2. The study of ethics in accounting education to prepare accounting graduates for taking ethical actions within accounting decisions, and
3. Strategies of ethical accounting education in the development of ethical competencies for ethical decision making.

In addition to the focus areas, theoretical constructs which aid in explaining and understanding the business and social responsibilities of the accounting profession are discussed.

Although the accounting profession in the United States claims a long and illustrious history, substantial current evidence exists that, in some cases, accounting practitioners do not exhibit the levels of ethical maturity and reasoning to maintain public trust (P. S. Adler, 2002; Gray et al., 1994; Stabus, 2005; Waddock, 2005; Young & Annisette, 2009). Accounting education in American universities provides the scholarly framework for graduates entering the profession (see, for example, Napier & Power, 1992). Accordingly, researchers suggest accounting educators must take some responsibility for ethical failures in modern accounting practice (Beverungen et al., 2013; Boyce, 2014; Craig & Amernic, 2002; Gray et al., 1994).

Increased demand for ethics training in business schools prevails due to events in society and the diminution of public trust in the accounting profession (Ferguson et al., 2011; Mastracchio et al., 2015; Melé, 2005; Staubus, 2005; Waples et al., 2009). However, scholars and practitioners debate the issues of inclusion and effectiveness of accounting ethics education in higher education (Bolt-Lee & Foster, 2003; Lampe & Engleman-Lampe, 2012; Felton & Sims, 2005).

The study of ethics can be traced to ancient Greek philosophers, such as Plato and Aristotle. In *Nicomachean Ethics*, Aristotle states individuals consider ethics to gain practical wisdom for situations in life (Aristotle, 350BC/1999). Aristotle examines economic life, including both individual and community. The philosopher defines virtue from two viewpoints, virtue of thought and virtue of character. Aristotle (350BC/1999) explains virtue of thought emerges and develops largely from teaching, and so matures with experience and time; and, virtue of character is the result of habitually performing moral actions. MacIntyre (1984), in discussing Aristotelian virtue, notes virtue demands "a capacity to judge and to do the right thing in the right place at the right time in the right way" (p. 149-150). Modern-day researchers and accounting educators apply ancient virtue theory to ethical aspects of current accounting practice (MacIntyre, 1984; Melé, 2005; Mintz, 1995; Stuart et al., 2014).

Philosophical theories are utilized in business ethics to determine an outcome of a moral issue or decision (Sims, 2002). Ethical theories, for the most part can be categorized into Western and non-Western. Two types are utilitarianism, a teleological theory, based on the "greatest good" principle, and rule deontology, a deontological theory, based on the concept of a duty to a moral law (Adams, Malone, & James, 1995).

More currently, Gaa and Thorne (2004) state ethics is “the actions of people, in situations where these actions have effects on the welfare of both oneself and others” (p. 1). De George (1987) declares the history of ethics in business started when business started, and has a lengthy tenure. De George distinguishes the concept of ethics in business, which was primarily theological and predates 1960, from the field of business ethics, which began to emerge in the United States in the 1970s. Initially, university students were interested in the ethics of Watergate and other business scandals of the 1970s, but the students’ interest ultimately extended to the general public, seeking practical answers for unethical business dilemmas (Lewis, 1985). The accounting and corporate scandals of the late twentieth and early twenty-first centuries sustain the ethical discussion and the consequences of unethical business practices continue to erode public trust (M. J. Jones, 2011).

Trust in the Accounting Profession

Public trust is the foundation of the accounting profession and is essential for survival of accounting’s status as a profession (Carnegie & Napier, 2010; Voynich, 2005). Francis W. Pixley, past president of the Institute of Chartered Accountants in England and Wales wrote over 100 years ago:

> That … the doctrines we lay down for ourselves … must … not only have a great and abiding influence on our successors, but also show the financial and commercial community of the present day whether they can confidently entrust us with the great and important duties we profess to transact, so as to secure for ourselves and our successors that general feeling of confidence without which no

profession can flourish even for a time, much less endure, as we hope ours will, in the ages to come. (as edited in Chatfield, 1996, p. 465)

Core values of integrity, competence, and objectivity, as well as, the profession's commitment to uphold the public's trust continue to support the ethics of the accounting profession (Voynich, 2005). The American Institute of Certified Public Accountants (AICPA) Code of Conduct, written in 1988, establishes a fundamental responsibility of members to maintain the highest standards (AICPA, 2015). In addition, the institute's members should adopt a sense of responsibility to the profession and to society early in the educational process (AICPA, 2015). Entry into the accounting profession requires technical competence, as well as comprehension of behavioral norms that move members toward development of a strong professional commitment (Ward & Ward, 1996). Many companies adopt a code of conduct to declare organizational values held by employees and other stakeholders (Kaptein & Van Tulder, 2003).

Professions exist today to produce trust required to support complex economic systems (Deutsch, 1960; Zucker, 1986). Cook and Wall (1980) describe trust as the extent to which one desires to have confidence in the work of other people. This willingness affects the manner of behavior a person exhibits towards other individuals (Cook & Wall, 1980). Mayer, Davis, and Schoorman (1995) define trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (p. 712). Interdependence is necessary in the working environment and people must rely on others in various ways to accomplish individual and organizational goals (Mayer et al., 1995).

The literature considers many characteristics of individuals that lead to trust. However, Mayer et al. (1995) suggest three characteristics of a trustee appear most often, ability, benevolence, and integrity; and viewed as a single unit, these characteristics describe trustworthiness. Ability is defined as a group of skills, proficiencies, and qualities that permit individuals to have authority within a profession (Mayer et al., 1995). Ability is specific to a discipline; for instance, an individual's ability in a particular discipline (e.g., technical skills) does not ensure equivalent competence and experience in related disciplines, (e.g., interpersonal communication; Mayer et al., 1995). Hence, trust alone will not solve a technical problem; rather, it requires sufficient knowledge, skills, and abilities to explain and resolve problems (Zand, 1972).

Mayer et al. (1995) define benevolence as the "extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive. Benevolence suggests that the trustee has some specific attachment to the trustor" (p. 718). The mentor-mentee relationship is an example of benevolence in trustworthiness (Mayer et al., 1995). Similarly, Frost, Stimpson, and Maugham (1978) consider that trust occurs when one individual acts altruistically toward another.

Finally, integrity is defined in relation to trust and occurs when the trustor perceives the trustee follows a set of principles the trustor believes in and adheres (Mayer et al., 1995). Shamoo and Resnik (2003) suggest an individual has integrity when the individual is not egotistical, and when the individual has a sincere commitment to standards that transcend any pending decision. To further clarify, adherence to and acceptability of standards or principles are both important to the concept of integrity (McFall, 1987). When a trustee follows a set of standards, that individual demonstrates personal integrity; however, when those standards are also considered reasonable by the trustor, the trustee embodies moral integrity (McFall, 1987).

Efficient and competent business systems depend on individuals and organizations, which trust each other in transactions (Noreen, 1988). Trust is essential to the efficient performance of all markets; however, trust diminishes when individuals and organizations act without integrity, when financial statements require restatement and when accounting scandals burden the industry (Waddock, 2005). In some cases, organizations can substitute contracts, legal documents and formal rules and regulations to enhance trust in an organized arrangement; however, these procedures remain ineffective in restoring trust within an organization (Kramer & Lewicki, 2010; Sitkin & Roth, 1993).

Changes in workforce composition and organizational styles of management impact trust in an organization. Mayer et al. (1995) suggest the importance of trust within organizations will likely increase during the coming years due to diversity of the contemporary workforce. Increases in diversity require individuals from different backgrounds learn how to accept and work with each other to accomplish personal and strategic organizational goals (Barak, 2013; Jackson & Alvarez, 1992). This trend positively influences the development of the workforce and benefits the organization. Employees successfully work together in more efficient and effectual ways as they develop mutual trust (Barak, 2013; Huang, Iun, Liu, & Gong, 2010; Mayer et al., 1995).

Additionally, current organizational trends to use more participative management styles and to incorporate work teams into the workplace increase the need for trust (Huang et al., 2010; Mayer et al., 1995). The concept of trust becomes an essential element of organizational success as an organization empowers its workforce by reducing or eliminating control mechanisms, and as interaction increases among employees (Kramer & Lewicki, 2010; Lawson & LaFasto, 1989). Accordingly, interaction and communication among employees fosters trust, imparts respect, and is ultimately beneficial to organizations (Barak, 2013).

Covey and Merrill (2014) describe trust in the capacity of character and competence. Character is a person's intent with people and competence is skills and abilities; both traits have gained importance in the wake of a new global economy. Covey and Merrill (2014) discuss a "ripple effect" that explains the interdependent nature of trust and how it flows within organizations (p. 107). An important objective is building trust, as well as, restoration of trust. A summary of Covey's (2006) structure for understanding trust follows:

- Self-trust is the confidence individuals have in their abilities. Credibility is the key principle.
- Relationship trust is the manner in which individuals establish and increase trust. The key principle is consistent behavior.
- Organizational trust deals with the way leaders can establish trust within organizations. Alignment aids in development of all aspects of organizational trust.
- Market trust describes how an organization's brand reflects trust in stakeholders. Market trust is the company's reputation.
- Societal trust is the contribution individuals offer to offset suspicion, cynicism, and low trust. (pp. 33-34)

Simons and Peterson (2000), utilizing two similar traits, describe co-occurrence of relationship and task linked to conflict; task conflict is usually identified with successful decision making, whereas relationship conflict correlates with poor decisiveness. The authors report intragroup trust moderates the two traits in 70 top management teams. The conclusion reached in the study is trust remains the means in achieving both task and relationship conflict; task conflict attained without the costs of relationship conflict (Simons & Peterson, 2000). Therefore, the researchers suggest that leaders focus on trust among team members to supplement task conflict (Simons & Peterson, 2000).

Organizations are responsive to the positive developments highlighting the importance of trust and ways to define and manage trust in their organizations. Kimmel (2016) suggests that business leaders are beginning to elevate trust and integrity within their organizations and they are achieving the following positive results: (a) efficient and quick decision making, (b) more engaged employees and increases in retention, (c) higher innovation, and (d) increased profits (p. 4). When trust is high, many of the important facets of the organization, such as communication, collaboration, strategy, and relationships with stakeholders become more effective (Covey & Merrill, 2014).

Kimmel (2016) addresses business leaders' interest in defining and measuring trust through implementation of a model, which identifies rates of trustworthiness in organizations and assigns a ranking based on five indicators. The indicators are (a) financial stability and strength, (b) accounting conservativeness, (c) corporate integrity, (d) transparency, and (e) sustainability. The FACTS® Framework (Figure 2) (Kimmel, 2016) is a practical methodology to measure and evaluate the impact of trust and integrity in an organization.

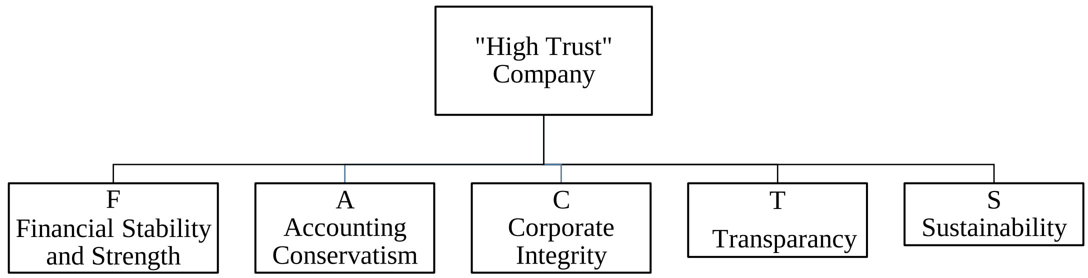

Figure 2. FACTS® Framework

Reprinted with permission of (Kimmel, 2016) The State of Trust in Corporate America: 2016 Report. Retrieved from Trust Across America Trust Around the World, http://www.trustacrossamerica.com. See Appendix A.

The Accounting Profession

Ostensibly, the accountancy profession's commitment to public trust and high ethical standards should serve the public (Cohen & Pant, 1991; Gaa, 1990, Gray et al., 1994). McPhail and Walters (2009) characterize a profession as a group of individuals who agree on a common set of values; individuals who have a commitment to public service, independence and education. In addition to education and social roles, professions perform a political role requiring the use of professional standards maintained through accreditation, registration, and licensing (Raelin, 1987).

Four commonalities of all professions include expertise, monopoly, public service, and self-regulation (Armstrong & Vincent, 1988). Frankel (1989) adds professions have a strong ethical nature; they "develop social and moral ties among their members who enter into a community of common purpose" (p. 371). Each professional obtains certification by receiving academic or theoretical training, gaining work experience, and participating in on-the-job training (Armstrong & Vincent, 1988).

Professions guarantee the use of expertise benefiting the professional society in exchange for a monopoly; this public-service ideal reflects the society's code of ethics and professional standards (Armstrong & Vincent, 1988). Society creates monopolies because monopolies can restrict the practice of the profession to those certified; however, the monopoly depends on the trustworthiness of the profession (Egan, Parsi, & Ramirez, 2004).

Further, because the practice demands professionals have certain expertise, members' must evaluate each other's conduct (Armstrong & Vincent, 1988). Consequently, the society allows professions control over membership, thereby permitting the profession to regulate itself (Cohen & Pant, 1991). Moreover, practitioners must comprehend the ethical standards of a profession and apply those standards in practice, so public policy makers do not usurp the power of self-regulation (Goode, 1957). In the United States, State boards regulate the accounting profession by administering the annual licensing of certified public accountants, as well as enforcing regulations, and sanctioning members ("Candidate Bulletin", 2016).

Public accounting in the United States began following ethical standards early in the twentieth century (Black, 2012). However, considerable evidence demonstrates accounting practitioners continue to fail ethically and intellectually in upholding standards (Armstrong & Vincent, 1988; Gray et al., 1994; M. J. Jones, 2011; Staubus, 2005). Accountants must obey accounting standards comprising rules and regulations set forth by independent accounting commissions (i.e., Financial Accounting Standards Board), national regulatory frameworks (i.e., Public Company Accounting Oversight Board, and Securities and Exchange Commission), and company law (M. J. Jones, 2011). Gray et al., (1994) note what accountants call "operational" ethical issues, such as classification of expenses, worker overtime claimed, and secrecy found in organizational settings, as increasingly common in the early 1990s (p. 52). More recently, M. J. Jones (2011) discusses *creative accounting*, legally exploiting the flexibility existing in accounting through the regulatory system, to increase profits or assets and decrease liabilities. Fraud typically begins when management uses creative accounting as a temporary measure, but continues in order to gain more favorable results; creative accounting becomes fraudulent accounting when managers violate the regulatory system (M. J. Jones, 2011).

Stuart et al. (2014) reveal the following techniques used by management to countermand accounting standards:

- Recording fictitious journal entries to manipulate operating results.
- Inappropriately changing assumptions used to estimate account balances.
- Omitting, advancing, or delaying recognition of events that have occurred during the year.
- Concealing or not disclosing facts that could affect the amounts recorded in the financial statements.
- Engaging in complex transactions structured to misrepresent the financial position or financial performance of the company
- Altering records and terms related to significant and unusual transactions.

(pp. 102-103)

Examples, occurring in 2008, of fraudulent accounting in the United States and the nature of the fraud demonstrate continuation of accounting malpractice:

- Bear Stearns (overleveraging; underestimate of risk associated with sub-prime assets; valuation of collateralized debt obligations),
- Madoff Securities International Ltd (ponzi scheme; extensive fraudulent behavior), and
- Lehman Brothers (overleveraging; underestimate of risk associated with holdings of collateralized assets (M. J. Jones, 2011, Appendix1, para 1).

Empirical studies in the areas of public accounting, auditing, and accounting education explore the underlying ethical reasoning of accounting students and practicing accountants to explain unethical behavior. Graduates, likely to encounter an array of ethical dilemmas over the span of their careers, may hold beliefs and values that conflict with practices in the business world (Maclagan & Campbell, 2011). Additionally, evidence suggests practicing accountants demonstrate less moral reasoning than practitioners in other professions (Armstrong, 1987; Chunhui, Lee, & Nan, 2012; Ponemon, 1992; Thorne, 2000). In the United States, a decline in moral reasoning occurs with seniority in the profession (Conroy, Emerson, & Pons, 2010; Ponemon, 1992). Yet, the completion of an ethics class in tertiary education can improve graduates' reasoning competence (Armstrong, 1993; Gautschi & Jones, 1998; Geary & Sims, 1994, Martinov-Bennie & Mladenovic, 2015). Additionally, completion of ethics training in tertiary education can elevate the employability of graduates with broad and transferable ethical reasoning skills (Graham, 2012; Watty, 2014). Mastery of professional competencies, including ethical competencies, for all accountants can add value to graduates' future organizations (Bolt-Lee & Foster, 2003; Lawson et al., 2014). Therefore, Felton and Sims (2005) propose ethics education should assist students:

> to understand their own values, the changing and dynamic environments in which they will make decisions, the often conflicting needs of stakeholders, the impact of managerial actions on the lives of others, and the need to give continuing attention throughout their career to the development of ethical sensitivities and accountabilities. (p. 390)

More recently, the Pathways Commission (2012) examines ethical demands graduates will encounter throughout their careers and proposes numerous changes to accounting curriculum. Complex business transactions brought about by globalization and technological advances challenge the accounting profession to act with integrity and sound ethical behavior in light of new regulations for fraud control and risk management (Pathways Commission, 2012). Accounting graduates must also be prepared for the challenges of ethical decision making in a changing accounting profession (Stuart et al., 2014).

Ethics and Business Environment

The American public reports a loss of confidence in business after the corporate failures of the late twentieth and early twenty-first centuries (Swanson, 2005). In the United States, the most prominent examples of corporate scandals involve the Enron and Arthur Andersen cases, which magnify the demise of the implicated corporation and the accounting firm in the case (Asthana, Balsam, & Kim, 2009; Beggs & Dean, 2007; Carnegie & Napier, 2010; Merino, 2006; M. J. Jones, 2011). Enron declared bankruptcy in December 2001 after losing $90 billion of shareholder value in three weeks (Beggs & Dean, 2007). Arthur Andersen, the auditing firm of Enron, was accused of disregarding Enron's questionable misstatement of account balances on Enron's financial statements.

Practices of mismanagement and accounting malpractice resulted in a lack of confidence in the accounting profession (Alleyne, Devonish, Nurse, & Cadogan-McClean, 2006). Additionally, the Worldcom scandal became the most noted accounting fraud in U.S. history (Cooper, Leung, Dellaportas, Jackling, & Wong, 2008; Gaa & Thorne, 2004). Politicians and partners of the largest four international accounting firms believe the unethical actions of individuals of Enron, Worldcom, Arthur Anderson, and others were atypical, simply a few "bad apples" (P. S. Adler, 2002). However, the number of scandals and the far-reaching financial impacts of these cases suggest more profound problems than individual ethics, corporate greed, or profit motive (P. S. Adler, 2002; Felton & Sims, 2005, M. J. Jones, 2011; Voynich, 2005).

Scandals such as Enron and Arthur Andersen fall under the category of white-collar crime. A complete description of common white-collar crimes, from Cornell University Law School, Legal Information Institute, includes many types:

> Antitrust violations, bankruptcy fraud, bribery, computer and internet fraud, counterfeiting, credit card fraud, economic espionage and trade secret theft, embezzlement, environmental law violations, financial institution fraud, government fraud, healthcare fraud, insider trading, insurance fraud, intellectual property theft/piracy, kickbacks, mail fraud, money laundering, securities fraud, tax evasion, phone and telemarketing fraud, and public corruption. (White-Collar Crime, 2016, p. 1)

Shapiro (1990) argues white-collar crime must be defined as an abuse of trust, focusing on the offense rather than the criminal. Accordingly, Huff, Desilets, and Kane (2010) define white-collar crime as "illegal or unethical acts that violate fiduciary responsibility or public trust for personal or organizational gain" (p. 11). The offense of white-collar crime results in individual economic losses, societal economic losses, emotional consequences, and physical harm (Payne, 2011). An additional consequence of white-collar crime occurs with the introduction of regulatory measures, changing a country's regulatory framework; each new scandal produces new regulations causing a continuous evolution of changes in regulations (M. J. Jones, 2011).

Staubus (2005) argues unethical accounting dilemmas will continue to occur; and emphasizes ethical failures are "almost inevitable" because of the conflicting relationships of corporate managers, auditors and users of financial statements (p. 11). A recent Kroll Global Fraud Report (2015-2016) demonstrates actuality of Staubus' (2005) prediction. In 2015, 75% of businesses in the United States experienced at least one fraud; the increase from 70% in 2014 stems from a considerable amount of insider trading in the United States (Kroll Report, 2016). Top business worries, drawn from the report, include theft of physical assets, vendor fraud and information theft (Helsby, 2015). The Kroll Report (2016) discloses the widening scope of white-collar crime, from high-level corporate misconduct to phishing schemes of ordinary citizens, affect the public daily and negatively affect the economy of the United States.

Separate from the affairs of accounting and corporate scandals, organizations address a myriad of ethical considerations in the widening role of corporate social responsibility. Corporate managers struggle with the issue of organizations’ moral obligations to society and the determination of a primary goal of the firm. Corporations make choices between commitment to providing a profit to shareholders or fulfilling obligations to stakeholders in society (Carroll, 1991; Carroll & Shabana, 2010; Staubus, 2005; Stuart et al., 2014). Moral obligations to society evolved, beginning in the 1960s, as civil rights, women's rights, consumer rights, and environmental interests (Carroll & Shabana, 2010). Davis (1960) defines social responsibility as a businessperson's "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (p. 70). Other descriptors of corporate social responsibility link to corporate social performance and incorporate business concepts such as business ethics, stakeholder management and business sustainability (Carroll & Shabana, 2010).

In the early 1970s, federal agencies such as the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission were created. These agencies set public policy. Carroll (1991) asserts establishment of these new governmental bodies as national public policy signifies the public's recognition of new stakeholders, including environment, employees, and consumers.

Carroll's (1991) Pyramid of Corporate Social Responsibility, as shown in Figure 3, (See Appendix B) depicts all aspects of an organization's responsibilities, including responsiveness and performance, to the corporation and to society. Four components of corporate social responsibility, economic, legal, ethical, and philanthropic responsibilities evidence a starting point for implementing social goals (Carroll, 1991). Economic performance, the base of the pyramid, undergirds all responsibilities and is the foundation for all other components. Economic performance includes consistency and competitiveness to maximize profits. Further, business bears a legal responsibility to follow society's codification of acceptable and unacceptable behavior at federal, state, and local levels. Ethical responsibilities include the obligation to do what is right, just, and fair in order to minimize harm to the environment, employees, consumers, and other stakeholders. Ethical responsibilities recognize corporate integrity and ethical behavior exceeding laws and regulations. Finally, philanthropic responsibilities embrace financial and human resource contributions to the community to improve quality of life for citizens (Carroll, 1991; Carroll & Shabana, 2010).

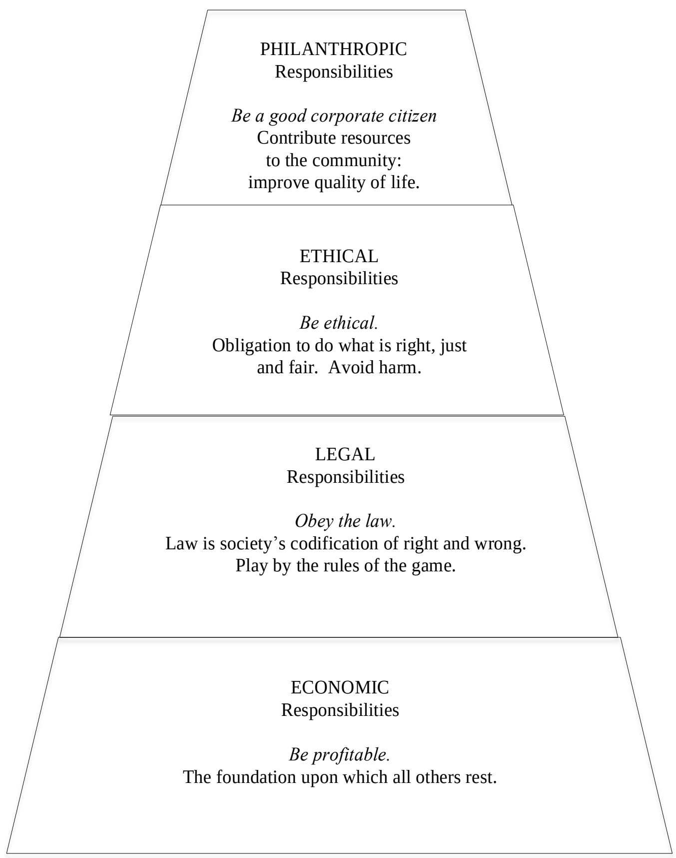

Figure 3. The Pyramid of Corporate Social Responsibility

Reprinted with permission from Carroll (1991, p. 42). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business Horizons 34, 39-48. See Appendix B.

Apprehensiveness exists between economic and legal responsibilities, between economic and ethical responsibilities and between economic and philanthropic responsibilities, and Carroll (1991) suggests this is the typical conflict between an organization's "concern for profit" and its "concern for society" (p. 43). A stakeholder approach would consider the tensions listed above and address the four components of the pyramid as a whole when making business decisions (Carroll, 1991). Corporate social responsibility continues to evolve holding up under the influence of theories such as agency theory, institutional theory, stakeholder theory and others (Lindgreen & Swaen, 2010). A more current viewpoint of corporate social responsibility introduces a broader concept involving linkages to organizational performance with improvements to stakeholder relations and social welfare (Carroll & Shabana, 2010; Lindgreen & Swaen, 2010).

Ethics in Accounting Education

Ethical issues associated with the function of accounting arise within complex political/economic systems (Hines, 1988). For example, financial statements not only describe the financial condition of an organization, but also define the "size, health, structure and performance, in other words, the reality of an organization" (Hines, 1988, p. 258). Practitioners and accounting students, alike, may lack the ethical competencies needed to understand and analyze the broader organizational goals and political/economic functions and values of the changing accounting profession (Mayer, 1988; McPhail & Walters, 2009). Further, accounting education may even negatively affect the development of students' ethical perceptions and awareness (Gray et al., 1994)

Consequently, wider economic and social systems, including universal impacts of globalization within which unethical behavior occurs, must receive greater attention and investigation in ethics education (Boyce, 2008; McPhail & Walters, 2009). Global issues, such as trade barriers, exchange rates, distribution, and technological innovations that increase accessibility, create new challenges and opportunities for ethical decision making within organizations adjusting to such changes (Ulrich, Brockbank, Johnson, & Younger, 2007).

Therefore, an important goal of ethics education is the student's understanding of "the role the profession (collectively) plays in society, and the student's personal responsibility to take an active part in developing and improving professional policies" (Armstrong, 1993, p. 81). Education in the accounting profession must meet the standards of the profession (i.e., preparation for proficient and accountable practice in the service of others) as well as the standards of the academy (Shulman, 2005). Craig and Amernic (2002) also argue the far-reaching aim of a university education is to educate graduates who will serve a useful purpose in society. In addition to serving society, a salient function of accounting education is to advance ethical decision making (Langenderfer & Rockness, 1989). Most importantly, education should enhance moral development of the student (Kohlberg & Hersh, 1977; Terenzini & Pascarella, 1991).

Accounting Education History

Historical knowledge of accounting education in the United States can provide insight into forces shaping present-day curriculum strategies (Abend, 2014; Black, 2012). Accounting departments profess a narrow viewpoint by linking themselves to the accounting profession and developing curriculum predominantly for accounting graduates seeking certification to enter the accounting profession (Black, 2012). The demand for a broader accounting curriculum is a problem for accounting educators who provide the students' pathway into the profession (Black, 2012; Haigh & Clifford, 2011).

In the Colonial era, teaching in higher education was considered a sacred function of training clergy and civic leaders in support of both the church and the commonwealth (Boyer, 1994). According to the researcher, 'higher education and the larger purposes of American society have been—from the very first—inextricably intertwined" (Boyer, 1994, p. 1). Additional examples of ways the American society and higher learning have achieved interlocking goals are (a) the formation of an historic partnership, which allowed eight million veterans to attend universities, (b) driving economic restoration; in the 1960s, (c) the development of John F. Kennedy's Peace Corps, stirring college students to create a better world; and (d) the challenge of the civil-rights movement to college and university students, seizing an opportunity to promote human justice (Boyer, 1994).

The same tenets demonstrated in the early years of higher education exist for accounting education. Joseph Sterrett, the first American-born partner of Price Waterhouse, portrayed accountancy as standing for "the slow but sure evolution of society into a state where honor and honesty shall not be mere abstractions" (Sterrett, 1905, p. 1). Sterrett believes accountants need more than technical skill, and he advocates a liberal education coupled with work experience to acquire critical thinking and develop a sense of justice (Sterrett, 1906a). Progressive accounting practitioners agree with this concept of education and these parameters guided accounting education at the turn of the 20th century (Merino, 2006).

Criticism of the pedagogical approach to accounting education occurred soon after accounting achieved professional status and contributed to university curriculum (Gordon & Howell, 1959; Pierson, 1959; Trueblood, 1963). According to Sullivan (2005), criticism from early practitioners echoed their position that accountants need independence and should possess critical thinking skills; however, accounting educators were unable to adequately respond to this challenge (Gray et al., 1994).

Accounting educators established a variety of conflicting goals, which according to Gray et al. (1994), were impossible to meet. The inconsistent goals included teaching for technical knowledge to prepare graduates for the requirements of the professional certifications; to prepare for professional work in the field of accounting; and to develop graduates intellectually (Gill, 1993; Gray et al., 1994; Zeff, 1989a). Gill (1993) observes "accounting graduates are neither practically trained individuals who can 'be immediately useful in the office' nor educationally developed individuals with a sophisticated capacity to enquire, reason, conceptualize and evaluate" (p. 10). The research criticizes educators for inconsistent goals (Beverungen et al., 2013; Laughlin, 1987).

Furthermore, politicians began to rely on accountants as independent experts to protect the public interest, and through the licensing process, conferred upon accountants their professional status as accounting practitioners (Merino, 2006). As a result, the American Association of Public Accountants and its successor organization, the American Institute of Accountants, pressured academia for acceptance of accountancy in university curricula (Sullivan, 2005). This researcher describes the reformers message to educators as "shaping the future practitioner as a member of a specific community of practice, integrating learned competence with educated conscience" (Sullivan, 2005, p.

25).

Academicians initialized changes in early accounting education curriculum. Educators of accountancy were also practitioners; therefore, a close alignment between accounting programs and the desires of the profession co-existed (Oliverio & Newman, 1996). State legislatures introduced legislation to regulate state societies and the Certified Public Accountant qualifying exam. According to Nelson (1995), the degree requirements to take the exam and the proficiencies needed to certify a public accountant caused controversy. While all states and the District of Columbia obtained the necessary legislation for the certification of accountants, no formal education was required to take the exam (Merino, 2006).

Subsequently, in the1950s and1960s, academia and the accounting profession grew apart when practitioners began to experience a more ambitious environment. The accounting profession found fault with an accounting curriculum that did not adapt to business environment changes (Trueblood, 1963). Simultaneously, schools of business in the United States progressed toward a more research-oriented focus and began educating students on lifelong professional contributions rather than training for employment (Nelson, 1995; Oliverio & Newman, 1996). Further, business schools developed an accounting doctoral program and the American Accounting Association (1968), the largest community of accountants in academia, determined that although universities benefit from certification of faculty, the certification was not essential.

In the 1980s, the gap between the viewpoints of practitioner and academician widened for several reasons. Practitioners reacted to changes in the regulatory environment, a more contentious society, increasingly complex services, and developing technologies (Bolt-Lee & Foster, 2003). Practitioners blamed academia for failing to properly train accounting graduates to enter the profession (Bolt-Lee & Foster, 2003; Gray & Collison, 2002). According to Sundem (1999), accounting educators found it difficult to teach the proliferation of rules and regulations enacted for practical application as well as the theoretical and conceptual foundations needed for lifelong learning.

Accounting Scandals and Proposed Educational Developments

Accounting scandals of the late 20th century and early 21th century triggered calls for greater accountability in the profession and additional educational reform to broaden the accounting curriculum (Merino, 2006). The accounting profession's moral responsibility to society became the paramount concern (Amernic & Craig, 2004; Boyce, 2014; Ravenscroft & Williams, 2004; Moreno, 2006). Public confidence diminished and could only be restored by ethical leadership from the accounting profession, business community, and government (Abend, 2014; Merino, 2006; Smith, 2003). Calls for ethics and social reform sparked a fleeting response, but efforts diminished after the intensity of the scandals' impacts lessened (Merino, 2006; Middleton, 2010). Gray and Collison (2002) argue accounting educators are torn between two distinct roles—instruction in technical (vocational) knowledge for employment in the workforce or instruction concerned with more broad issues of environment (i.e., humanity) and service to society.

The consequences of unethical behavior in the practice of accounting highlight the importance of including ethics in accounting education. Paul Volcker, former Chairman, Board of Governors, of the Federal Reserve System, at the 2003 Sarbanes-Oxley hearings, placed some of the blame of practitioners' unethical behavior on higher education (The Implementation of the Sarbanes-Oxley Act and Restoring Investor Confidence, 2003). Further, PricewaterhouseCoopers (2003), in their position paper pertaining to educating for the public trust, called for change in the focus of accounting curriculum from a purely technical orientation to one, which values a culture of accountability, people of integrity, and a spirit of transparency.

Moreover, the late-2008 financial crisis provoked similar complaints about the way business students are taught. According to Holland (2009), as reported by the New York Times Magazine, the following complaints were levied against accounting educators:

> With the economy in disarray and so many financial firms in free fall, analysts, and even educators themselves, are wondering if the way business students are taught may have contributed to the most serious economic crisis in decades. Critics of business education have many complaints. Some say the schools have become too scientific, too detached from real-world issues. Others say students are taught to come up with hasty solutions to complicated problems. Another group contends that schools give students a limited and distorted view of their role that they graduate with a focus on maximizing shareholder value and only a limited understanding of ethical and social considerations essential to business leadership. Such shortcomings may have left business school graduates inadequately prepared to make the decisions that, taken together, might have helped mitigate the financial crisis, critics say. (p. 7)

Abend (2014) argues critics' acknowledgment of business education failures appears to repeat itself over time. Abend (2014) points out, with each new scandal beginning with events in 1980s, blame is focused on business school education in ethics. The demand for a broader accounting curriculum to include instruction in ethical behavior, even after a century of existence for accounting professionals, continues as a challenge for accounting educators (Merino, 2006).

In 1986, the American Accounting Association (AAA), an association of accounting educators, appointed a committee to investigate and report objectives and goals for adjusting accounting education by the year 2000. The AAA Committee on the Future Structure, Content, and Scope of Accounting Education (commonly referred to as the Bedford Committee), recommended changes in the primary purpose of professional accounting education to include: the knowledge, techniques, sensitivities, and abilities all accountants need to enter the accounting profession, and the capacity to apply these qualities under reasonable supervision (Bedford et al., 1986).

In 1987, the National Commission on Fraudulent Financial Reporting (commonly referred to the Treadway Commission), after studying the financial reporting system in the United States, recognized fraudulent financial reporting as a serious problem and recommended additional coverage of ethics in the accounting and business curricula (Loeb, 1988). The report states participants in all educational and training sessions, for business and law students, should be exposed to the knowledge, skills and ethical values that may potentially help them prevent, detect and deter fraudulent financial reporting (Treadway et al., 1987).

Moreover, the Treadway Commission recommended supplementary liberal arts requirements in the business and accounting curriculum (Treadway et al., 1987). The National Institute of Education, the Association of American Colleges, and the American

Accounting Association agreed additional emphasis on analytical and problem-solving skills, ethical values, and historical and cultural awareness for participants would be useful to future members of the accounting field (Treadway et al., 1987). The following specific recommendations submitted by Treadway et al. concern ethical curriculum in accounting and business degree programs:

- Throughout the business and accounting curricula, educators should foster knowledge and understanding of the factors that may cause fraudulent financial reporting and the strategies that can lead to a reduction in its incidence.
- The business and accounting curricula should promote a better understanding of the function and the importance of internal controls, including the control environment in preventing, detecting, and deterring fraudulent financial reporting.
- Business and accounting students should be well-informed about the regulation and enforcement activities by which government and private bodies safeguard the financial reporting system and thereby the public interest.
- The business and accounting curricula should help students develop stronger analytical, problem solving, and judgment skills to help prevent, detect, and deter fraudulent financial reporting when they become participants in the financial reporting process.
- The business and accounting curricula should emphasize ethical values by integrating their development with the acquisition of knowledge and skills to help prevent, detect, and deter fraudulent financial reporting.

- Business schools should encourage business and accounting faculty to develop their own personal competence as well as classroom materials for conveying information, skills, and ethical values that can help prevent, detect, and deter fraudulent financial reporting.
- Business school faculty reward systems should recognize and reward the contribution of faculty who develop such competence and materials. (pp. 80-83)

The Treadway report considered the final recommendation involving development of faculties' personal competencies to be the most serious deficiency hindering improvement of ethical business curriculum in accounting education (Treadway et al., 1987).

By the end of the 1980s, even though various commissions and committees had recommended changes in accounting curriculum for decades, the accounting profession continued to criticize the academic preparation of accounting students (Black, 2012). In 1989, the managing partners of the largest accounting firms in the world (then the Big 8) issued a joint document (White Paper) to address the effectiveness of accounting education (Andersen et al., 1989). The White Paper suggests educators should develop a base of competencies that would last throughout the graduates' careers, and skills and knowledge encompassing necessary accounting capabilities should be integrated throughout the curriculum and should be reinforced throughout the curricular experience (Anderson et al., 1989). Further, the White Paper stresses the inclusion of ethics discussions drawn from a strong liberal arts background, including philosophy and ethical reasoning, essential for accounting students' educational and professional development (Andersen et al., 1989).

In 1989, the Accounting Education Change Commission formed to assist in implementing the recommendations of the Bedford Committee and the White Paper issued by the Big 8 accounting firms. However, the recommended goals of the committees encountered mixed success (Albrecht & Sack, 2000). In response to the Bedford Committee and White Paper recommendations, many schools concentrated on curriculum delivery rather than the needed changes in curriculum content (Sundem, 1999).

Subsequently, four major accounting organizations (The Institute of Management Accountants, the American Institute of Certified Public Accountants, the American Accounting Association and the Big 5 professional service firms) created the Sponsors Task Force to study the current and future problems associated with accounting education. In the late 1990s this group investigated change drivers, identified as globalization, technology, and concentration of market power, to report the impact these dynamics had on accounting curriculum (Albrecht & Sack, 2000). The task force notes the following problems in accounting curriculum:

- Course content – curricula that is too narrow or irrelevant, driven by faculty interest and not market demands, and no exposure to globalization, technology or ethics
- Pedagogy – too much memorization and lack of creativity
- Skills development – content emphasized rather than skills
- Technology – teaching as though information is still costly

- Faculty development and reward systems – isolated from business-school's peers and business professionals, and
- Lack of strategic direction. (Albrecht & Sack, 2000).

The summary remarks of the Sponsors Task Force warn that corporate and public accounting firms are changing their focus to financial advisory service and consulting service firms (Albrecht & Sack, 2000). Failure of accounting education to alter itself could be harmful; however, careful consideration of curriculum development and course content could increase relevance and open new opportunities for accounting education (Albrecht & Sack, 2000).

Despite prior efforts of various accounting organizations and warnings from accounting professionals regarding the lack of effectiveness of accounting curricula, two obstacles continue to exist:

- The focus of accounting curriculum on preparation for entry-level requirements, ignoring pleas for a long-term perspective; and
- Misalignments of academic curricula with current demands and responsibilities of accounting practice (Siegel, Kulesza, & Sorensen, 1997; Siegel et al., 2010a).

The accounting practice and business environment change over time and accounting education must adjust to the changes. Albrecht and Sack (2000) note globalization, technology, and shifting markets are change drivers, which have an impact on accounting curriculum. The literature review exposes challenges in accounting education and makes applicable recommendations. However, the problems continue. There remains a gap between what educators teach and the competencies practitioners need for a productive career in accounting (Siegel et al., 2010a). Additionally, academia continues to experience challenges with effectively assimilating ethics into accounting and business curriculum (Martinov-Bennie & Mladenovic, 2015); and broadening the focus of disciplinary boundaries with ethical accounting education (Boyce & Greer, 2013).

Ethics Education – Current Curriculum Strategies

Concurrent with the transformation of the business environment and accounting practice, a new generation of students anticipates fresh and imaginative teaching methods using the newest technology and seeking the latest progress in pedagogy. The development of these students requires renewed consideration of curriculum and pedagogy (Behn et al., 2012). Additionally, the practice of accounting occurs within a wide range of roles in the public, private, not-for-profit and government sectors of the economy. These varied positions require a mixture of education, training, experience, and certifications; and, accounting curriculum should be developed to meet the challenges of those positions (Behn et al., 2012).

In 2010 the Institute of Management Accountants (IMA) and the Management Accounting Section (MAS) of the American Accounting Association formed a Joint Curriculum Task Force to respond to a recent call to "connect the accounting body of knowledge to a map of competencies" (p. 37) and to create "curricular models for the future" (p. 75) for student development and education (Pathways Commission, 2012). The Pathways Commission's (2012) comprehensive goal is to introduce relevant options to strengthen accounting education and curriculum building for future graduates who will enter a challenging and changing profession.

According to Lawson et al. (2014), students are currently taught mastery in accounting competencies to start a career in accounting; however, the changing environment of the business world dictates a need for development of competencies for students' long-term career requirements (i.e., productive careers). Further, Lawson et al. suggest accounting educators need guidance and suggestions of how to develop these competencies within curriculum; the researchers advocate implementation of the following recommendations:

- Accounting education should be oriented toward long-term career demands.
- The focus of accounting education should include organizational settings beyond the current focus on public accounting/auditing.
- Educational objectives should reflect how accountants add organizational value.
- These objectives should be developed as integrated competencies. (p. 1)

The Joint Curriculum Task Force advocates Enterprise Performance Management (EPM) developed by Cokins (2009) to describe how professionals connect company strategies to add organizational value in accounting and management practices (Lawson et al., 2014). Cokins' (2009) performance management framework (e.g., strategy maps, balanced scorecards, activity-based cost management, and risk management) describes EPM and is introduced as a tool to improve performance. According to Cokins (2009), performance improves in five managerial areas when the organization strives to meet short-term goals and long-term strategic objectives. The five managerial areas can improve performance:

- predictive analytics to improve decision making;
- linkage of strategy to operations with the ability for rapid response;
- risk and compliance management; and
- customer value management and collaboration to assure alignment of workforce behavior from top to bottom (Cokins, 2009, para Five Critical Areas).

Accounting graduates should possess the skills, knowledge, and attributes necessary to understand and implement the strategies described by Cokins, if they are to add organization value (Lawson et al., 2014). CFO Research Services (2011) conducted 18 in-depth interviews of senior accounting and finance executives to establish how executives increase performance in high-value activities. The executives' response to these challenges in business involves: "reformulating its human-capital mix, adding more capabilities in business strategy and sophisticated analytics and more operational experience" (CFO Research Services, 2011, p. 4). The response of the executives mirrors the risks identified in the survey portion of the study in which 443 global executives cited "organizational complexity, human capital, and the utilization of technology in finance as key sources of risk to finance's ability to achieve its objectives" (CFO Research Services, 2011, p. 5). Last, CFO Research Services (2011) acknowledges new graduates tend to accept the attributes of developing a broader skill set working in a participative management environment.

The Pathways Commission (2012) identifies the need for a new model of education necessary for a modern business environment and an expanding accounting profession. Lawson et al. (2014) address this need by developing a Framework for Accounting Education (Framework; see Figure 4), which focuses on the development of competencies identified by the Pathways Commission. The Framework includes three intertwined components: (a) Foundational Competencies, (b) Broad Management Competencies, and (c) Accounting Competences, which should be developed and integrated over time by means of education, training, and work experience (Lawson et al., 2014).

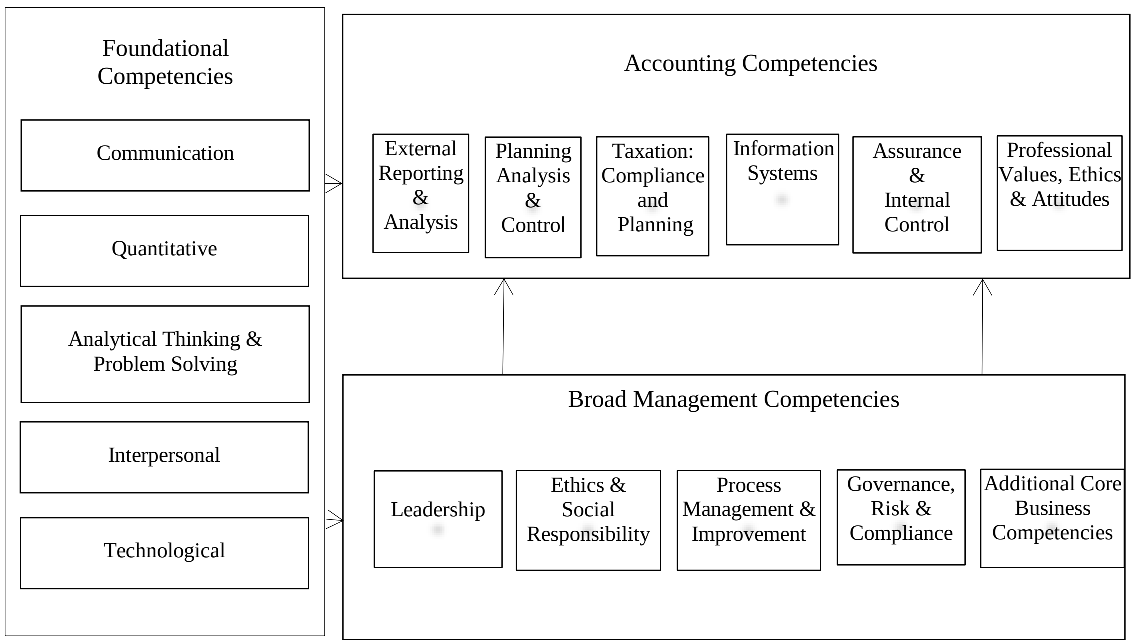

Figure 4. Competency Integration a Framework for Accounting Education.

Reprinted with permission from Lawson, R.A., et al., 2014. Focusing accounting curricula on students' long-run careers. *Issues in Accounting Education,* 29(2), 295-317, American Accounting Association. See Appendix C.

The Framework (Lawson et al., 2014) illustrates new competencies, which meet the expanded requirements of adding value to an organization. The Framework includes competency requirements from all accounting disciplines (i.e., financial accounting, management accounting; taxation, information systems, and assurance) to provide accounting students an integrated education for long-term careers (Lawson et al., 2014). The foundational competencies include the basic skills for effectiveness; moreover, Lawson et al. (2014) argue that the profession's "EPM value proposition will eventually collapse if our students cannot productively relate to other people and effectively communicate with them or if, for example, they cannot leverage technology and basic quantitative methods to analyze and solve problems" (p. 151).

The demands of long-term careers for accounting graduates mandate a change in ethical and accounting curriculum development (Lawson et al., 2014; Siegel et al., 2010a). Lawson et al. (2014) recommend accounting educators should integrate subject matter within a single accounting competency, integrate subject matter across multiple accounting competencies, or expand beyond discipline-specific accounting competencies to a more extensive set of broad management competencies. Lawson et al. (2014) provide an example to explain expansion beyond discipline-specific accounting competencies. The example, developed by Torres and Albin (1997) uses international transfer pricing:

> Consider, for example, international transfer pricing. Competency integration for this topic might entail studying tax laws in conjunction with a tax policy debate regarding the appropriateness of the laws within the Taxation, Compliance, & Planning competency. The discussion could be further broadened by integrating the External Reporting & Analysis competency through inclusion of a consolidated financial reporting assignment, and then further expanded by integrating the broad management competency of Governance, Risk, & Compliance. (p. 152)

This example may also include risks of noncompliance, ethical issues involving corruption in global businesses and international corporate governance systems (Lawson et al., 2014). Torres & Albin (1997) specifically developed this example for integrating financial, managerial, systems, income tax, and auditing into a series of core accounting courses demonstrating business decision making in the practice of tax accounting to students.

In addition to the framework, Lawson et al. (2014) establish a Continuum of Entry-Level and Long-Term Competency Development and Integration. Table 1, Continuum of Entry-Level and Long-Term Competency Development and Integration, illustrates the process of competency integration development in undergraduate education and differentiates the impact on entry-level, initial job preparation and long-term career preparation. The three competency levels are (a) accounting, (b) broad management, and (c) foundational (Lawson et al., 2014). For instance, students acquire long-term career requirements by developing accounting competencies through a holistic approach to business strategy in a changing environment; for broad business competencies, students learn ways to apply business knowledge in a changing environment (Lawson et al., 2014).

The challenge for financial accountants includes integration of accounting and broad business knowledge into changing circumstances and application of knowledge in innovative ways to advance their profession, organization, and society (Lawson et al., 2014). The same challenge of integration applies to accounting curriculum design and competency development. Table 1 further explains the impact of competency integration across the spectrum of entry-level preparation and the initial job compared to further development of life-long competencies.

Table 1

Continuum of Entry-Level and Long-Term Competency Development and Integration

	Entry-Level Preparation Initial Job	Further Development of Life-Long Competencies	
Competency Integration	Undergraduate Education	Early Career and/or Additional Education	Long-Term Career
Integration of Formal Coursework and Professional Development	Grounding in accounting and business knowledge and foundational skills	Deeper expertise in area of chosen career path; increasing integration across subject matters and focus on organizational value	Deeper integration across subject matters; greater focus on ability to gain new knowledge and skills over time to enhance organizational value
Integration across Accounting Competencies	Limited integration by being able to identify related accounting competencies when analyzing a specific issue of strategy implementation from a specialized perspective	Considerable integration by being able to analyze a specific issue of strategy implementation from several specialized perspective (accounting competencies) and to recognize many	Comprehensive integration of accounting competencies by being able to holistically consider how accounting is implicated in the implementation of strategy in highly uncertain and evolving situations

		relationships among these competencies	
Integration of Accounting and Broad Management Competencies	Limited integration across accounting and broad business knowledge	Considerable integration of accounting and broad business knowledge	Integrate accounting and broad business knowledge in highly uncertain and evolving situations; develop new ways to apply business knowledge as an accounting professional
Integration of Foundational Competencies	Develop foundational competencies for a business major	Use foundational competencies to enhance cross-functional work	Use foundational competencies effectively to anticipate and adapt to more complex business situations

Reprinted with permission from Lawson, R.A., et al., 2014. Focusing accounting curricula on students' long-run careers. *Issues in Accounting Education*, 29(2), 295-317, American Accounting Association. See Appendix C.

Grimm and Blazovich (2016) respond to the challenge by designing an integrated classroom project related to financial statement analysis, specifically addressing critical thinking and analytical skills applicable to a real company. Additionally, Farkas, Kersting, and Stephens (2016) develop an instructional resource providing an integrative approach to choosing a cost accounting system for a hypothetical organization.

The broad categories of Accounting Competencies and Broad Management Competencies comprise two types of ethical competencies: Professional Values, Ethics & Attitudes and Ethics & Social Responsibility (Table 2). Accounting Competencies relate to the formation and execution of strategy, and Broad Management Competencies involve effective performance to create organizational value (Lawson et al., 2014). Table 2, Ethical Competencies: Accounting and Broad Management Competencies, denotes the components of the accounting and broad management ethical competencies. Professional values, ethics, and attitudes represent, for instance, the culture of the organization and influence on stakeholders. An example would be tone at the top. Competencies denoting ethics and social responsibility address voluntary standards in addition to normal legal and regulatory requirements. Examples of ethics and social responsibility competency include, for example, proceedings of the U.S. Foreign Corrupt Practices Act or details of an organization’s internal control system (Lawson et al., 2014).

Table 2

Ethical Competencies: Accounting and Broad Management Competencies

Professional Values, Ethics & Attitudes	Ethic & Social Responsibility
Technical Competence	Environmental Stewardship
Ethical Behavior	Labor Practices and Conditions
Professional Manner	Human Rights
Pursuit of Excellence	Health and Safety
Societal Responsibility	Community Partnerships
Professional Skepticism	Global Citizenship
Objectivity	Code of Conduct
Professional Judgment	Legal and Ethical Differences
Creativity	Whistle Blowing
Innovation	Regulatory Requirements
Tone at the Top	

Source: Adapted from Lawson, Blocher, Brewer, Cokins, Sorensen, Stout, Sundem, Wolcott, and Wouters (2014)

Competencies signifying professional values, ethics and attitudes stem from professional codes of conduct in organizations such as the Institute of Management Accounts, the American Institute of Certified Public Accountants, and the Institute of Internal Auditors. The codes of conduct provide guidance to practitioners following professional standards. Further, tone at the top denotes an organizational culture of integrity, which includes monitoring and addressing potential breaches of ethical behavior (Lawson et al., 2014). Complexity of the current business environment and expansion of the management and accounting profession due to globalization and technological advances call for more meaningful preparation of graduates in technical and ethical competencies (Bedford et al., 1986; Behn et al., 2012). Additionally, participative management styles and the empowerment of the workforce require individuals to develop leadership competencies in a changing environment to solve critical problems (Battilana, Gilmartin, Sengul, Pache, & Alexander, 2010; Lawson & LaFasto, 1989). Accordingly, ethical accounting education asserts introduction of current curricula models and competency development useful for graduates' wide-ranging career paths (Behn et al., 2012).

Theoretical Background

Three theories drawn from the literature address the issues of accounting graduates' ethicality, practitioner in the role of ethical decision-maker, and organizational awareness and performance. Cognitive moral development theory supports the claim that a student's moral orientation transforms over time and develops through education (Kohlberg & Hersh, 1977). Additionally, stakeholder theory prevails as a leading managerial concept, which provides practitioners guidance on the operation of a business based on relationships with key stakeholders (Freeman, 2004). Lastly, organizational mindfulness theory addresses the manner in which organizations respond to change. A mindful organization has a culture, which allows for complex and creative problem solving and an ability for quick response (Weick, Sutcliffe, & Obstfeld, 2008).

Cognitive Moral Development Theory

Many U.S. universities emerged to enhance the moral education of their students. Goals to develop awareness of moral responsibilities, to teach ethical thought and action, and to develop students' character, reveal higher education initially considered the whole person (Rest, 1994). Kohlberg, who established a theory of cognitive moral development in the mid-1950s, influences the core foundation for moral education and research (Armstrong, 1987; Ferrell et al., 2012; Lau, 2009; Rest, 1980). According to Rest (1980), several research studies provide the following conclusions concerning ethics education:

- Young adults (twenty to thirty year olds) experience noticeable changes in decision-making strategies for ethical dilemmas.

- Young adults are able to change their convictions when they fully understand involvement in society.
- Formal education influences change in young adults.
- Ethical curricula, which influences awareness of moral problems are effective.
- Studies show a linkage between moral perception and moral judgment with real-world practice. (pp. 603-604)

The works of Swiss psychologist, Jean Piaget and the American philosopher, John Dewey, influence Kohlberg's theory. The researchers hypothesize human beings develop philosophically and psychologically in a progressive fashion (Rest, 1994). Kohlberg intentionally undertook to extend the Piagetian line of theory by focusing on cognition and the stages of moral judgment development to devise a method of assessing a person's stage (Rest, 1994).

Moral development represents the "transformations that occur in a person's form or structure of thought" (Kohlberg & Hersh, 1977, p. 54). Individuals relate to society in different ways and they solve problems through different moral processes depending on their cultures; to understand a person's process of thought, there must be analysis of developing processes of moral judgment common to all cultures (Kohlberg & Hersh, 1977). According to Rest (1980), assessment of an individual's thought process involves interviewing the individual using a methodology for identifying cognitive processes existing in an individual's thoughts. Additionally, assessment involves collecting information about an individual, identifying a set of traits to analyze the information, and finally, using a methodology for extracting an individual's scores. Kohlberg's initial study involves presenting various hypothetical moral dilemmas to participants, and discussing solutions. Kohlberg clustered recurrent themes and characteristics into six basic types, creating six moral stages of development (Rest, 1980).

According to Kohlberg and Hersh (1977), the concepts of stages of cognitive moral development include three levels: (a) preconventional, (b) conventional, and (c) post conventional. Level one of Kohlberg's theory is the preconventional level, which includes stages one and two. At this level, an individual makes the decision to do what is right to avoid punishment or to serve one's own interest; the individual is not aware of other's emotional interests (Rest, 1994). According to Kohlberg and Hersh (1977), stage one includes punishment-and-obedience orientation; the individual focuses on self. In the punishment-and-obedience orientation, goodness and badness are labels for the physical outcomes of action. The second stage includes the instrumental-relativist orientation. In the "instrumental-relativist orientation, right action consists of that which instrumentally satisfies one's own needs and occasionally the needs of others" (Kohlberg & Hersh, 1977, p. 54).

Level two of Kohlberg's theory is the conventional level, which includes stages three and four. Kohlberg and Hersh (1977) describe the conventional level as the point when an individual desires to be a good person and wishes to maintain rules and authority that support traditionally good behavior, regardless of immediate and obvious consequences. The individual is loyal to and identifies with the persons or group involved (Kohlberg & Hersh, 1977). Stage three has to do with an interpersonal concordance orientation. In the interpersonal concordance orientation, the individual's need to be a good person is the primary motivator of moral action. An individual's intention to earn approval is important. In stage four, the “law and order” orientation, the individual has learned to acknowledge society’s viewpoints and distinguishes it from personal interests (Kohlberg & Hersh, 1977, p. 55).

Level three of Kohlberg’s theory is the postconventional level, which includes stages five and six. The postconvention individual follows self-chosen ethical principles and when those principles are violated, the individual follows principles rather than rules (Rest, 1994). Stage five is the social contract, legalistic orientation. In the social contract, legalistic orientation, implications of utilitarianism are considered. The individual believes the rules and laws governing moral action derive from a rational calculation of overall benefit to society. The individual recognizes potential conflicts and often has difficulty integrating differing viewpoints. (Kohlberg & Hersh, 1977). Stage six includes the universal-ethical-principle orientation. Universal-ethical-principle orientation defines right as the “decision of conscience in accord with self-chosen ethical principles of justice, equality of human rights, and respect for the dignity of individual persons” (Kohlberg & Hersh, 1977, p. 55).

Complex processes of ethical reasoning rely on individuals’ reasoning ability (Jones & Ponemon, 1993; Kohlberg & Hersh, 1977). Kohlberg and Hersh (1977) argue comprehensive individual development of students to attain higher levels of intellectual and moral reasoning should be a goal of higher education. Additionally, Kohlberg’s framework guides educators in forming educational goals and establishing pedagogy for goal attainment (Geary & Sims, 1994). Some researchers criticize Kohlberg’s theory. Kurtines and Grief (1974) examine the evidence supporting Kohlberg’s theory and find a multitude of evidential problems, which call into question benefits of the model.

Additionally, Gilligan (1982) challenges Kohlberg and other theorists by introducing a different description of moral development rooted in the understanding of responsibility and relationships rather than the understanding of human rights.

Two additional theories help explain and support ethical accounting education. A second theory, stakeholder theory, advances ethical accounting education by explaining the importance of stakeholders to ethical business decisions. Stakeholder theorists describe the ethics of corporate social responsibility in the context of all stakeholders.

Stakeholder Theory

Hasnas (1998) contends management practitioners rely on the practical benefits of business ethics theories. Classical moral and political philosophies, such as utilitarian and Kantian business ethics, exhibit broad and non-specific principles; the philosophies may not fully support ethical responsibilities for the practice of managing organizations (Phillips, 2003). Business managers consider stakeholder theory comprehensive and useful in ethical decision making (Mitchell, Agle, & Wood, 1997).

Hasnas (1998) holds stakeholder theory, while not ideal, prevails as a leading normative theory of business ethics. The stakeholder theory maintains organizations exist for the benefit and welfare of their owners (shareholders) and their stakeholders (Carroll, 1991). Donaldson and Preston (1995) argue stakeholder theory consists of descriptive/empirical, instrumental, and normative styles of research. Descriptive styles define concepts that mirror reality; instrumental styles explain the interconnection of stakeholder management and organizational performance, and normative uses interpret the functions of the business based on ethical principles (Donaldson & Preston, 1995).

Stakeholder theory retains prominence in management literature for several reasons:

- presents an accurate model of a corporation;
- establishes a framework to achieve corporate performance goals;
- is normative, in that it involves authentic interests and inherent value to the corporation; and
- encompasses a broad managerial viewpoint of attitudes, structures and practices (Donaldson & Preston, 1995).

Emphasis on stakeholder theory in the field of business ethics arose over the past several decades and persists in organizations today (Donaldson & Preston, 1995; Hasnas, 1998; Phillips, 2003; Stuart et al., 2014).

Historically, business organizations were created to provide goods and services to members of society and to gain an adequate profit; all other corporate responsibilities were secondary to the economic responsibility (Carroll, 1991). Friedman (1970) argues shareholders are the principal concern in business decisions and states:

> There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. (p. 126)

Additionally, Friedman (1970) explains managers simulate an agency position of shareholders within a corporation and managers' sole motivation emphasizes expanding corporate shareholder wealth.

Modern-day business ethicists view stakeholder theory, a counter to stockholder theory, as all-inclusive (Hasnas, 1998; Freeman & McVea, 2001). Freeman (1984) disagrees with Friedman's one-sided emphasis on stockholders and argues stakeholders (customers, employees, suppliers, governments, and others) possess the right to make a claim against business. Additionally, Freeman (1994) argues educators and practitioners assume business and ethics autonomously exists; this misrepresentation remains the greatest barrier to ethical decision making in business. The work of Mason and Mitroff (1981), and Emshoff (1980), influenced Freeman, whose stakeholder framework replaces traditional strategic frameworks and aids in creating new opportunities for changing businesses (Freeman & McVea, 2001).

Freeman (2004) maintains stakeholder theory embraces the managerial approach, which takes into account the practical issues of management, by identifying, analyzing and negotiating with key stakeholder groups. More important, a stakeholder approach emphasizes the relevance of investing in relationships, and sharing of core principles or values, with those who have a stake in the organization (Dess & Robinson, 1984; Freeman, 2004; Schendel & Hofer, 1979; Waddock, 2005). Consequently, Freeman (1984) defines a stakeholder in an organization as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (p. 46).

Business ethics scholars use stakeholder concepts to support their theories about corporate social responsibility and accountants use the logic of stakeholder theory to prioritize various stakeholders' influence on the business decision-making process (Stuart et al., 2014). For instance, Roberts (1992) uses stakeholder theory to predict corporate social disclosure levels, finding that stakeholder power, strategic posture, and economic performance all related to the amount of disclosure. Rubenstein (1992) focuses on social contracts with stakeholders to create a natural asset account to help businesses determine whether its practices are environmentally sustainable. Further, Ilinitch, Soderstrom and Thomas (1999) develop both theoretical and empirical approaches to defining corporate environmental performance to provide stakeholders with information for making strategic business decisions. The researchers argue the accounting domain is the appropriate place to develop these metrics (Ilinitch, Soderstrom, & Thomas, 1999).

Some studies investigate the influence stakeholders have for reporting financial information. Bowen, Johnson, Shevlin, and Shores (1992) propose managers attempt to influence stakeholders regarding firm performance by controlling the timing of earnings announcements. In addition, Shah (1998) investigates stakeholder influences on decisions regarding creative accounting, especially the abuse of goodwill provisions. Finally, R. W. Adler and Chaston (2002) examine information stakeholders use to predict whether an organization's performance will decline.

Garriga and Melé (2004) associate stakeholder theory with corporate social responsibility, which supports relationships between business and society as an ethical obligation. Many organizations seek answers to corporate social demands through collaboration with a wide scope of stakeholders; stakeholder relationships and exchanges can explain and resolve unclear signs received from varied corporate situations and settings (Garriga & Melé, 2004). Nevertheless, critics of stakeholder theory cite various reasons why the theory is unsuitable. For example, Donaldson and Preston (1995) believe, at times, the literature offers a vague definition of stakeholder by including prospective employees, competitors and the media, who have no distinct stake in the business. Moreover, the most extensive criticism of stakeholder theory involves comparison of stakeholder theory to more traditional economic theories, such as agency theory and fiduciary duties (Phillips, 2003).

Stakeholder theory supports a pragmatic approach for practitioners in solving ethical business decisions. University schools of business consider the need for ethical accounting education to prepare graduates for the workforce in careers that add organization value. Like other organizations, business schools operate in unsettled conditions and must pay close attention to challenges from many factions in making decisions (Ray et al., 2011). A final theory, organizational mindfulness, is discussed in the context of university business schools within changing environments.

Organizational Mindfulness Theory

Business schools proceed without addressing accountability for public mistrust attributable to accounting and corporate scandals (P. S. Adler, 2002; Beverungen et al., 2013; Ray et al., 2011; and Schwartz, Kassem & Ludwig, 1991). P. S. Adler (2002) suggests accounting and corporate scandals occur because of outdated missions and functions of business schools. For instance, business schools currently emphasize competition, efficiency and technology, relinquishing the historical focus of training ministers and civic leaders and sacrificing instruction on moral awareness and ethics (Schwartz et al., 1991). Other pressures such as declining resources, faculty shortages, and globalization of educational markets make university business schools susceptible to unexpected events and more likely to make damaging decisions (Ray et al., 2011). Organizational mindfulness, a theoretical construct, can be useful to business schools operating within changing environments (Ray et al., 2011).

Weick and Sutcliffe (2015) suggest mindful management equates to skillful management of unforeseen events; mindfulness determines the importance of weak signals and responds in a powerful and energetic manner. Psychologists, who created the theory of individual mindfulness, expanded their research to include organizations (Langer, 1989). More recently, the theory of organizational mindfulness involves high-reliability organizations, which can avoid errors in business using mindfulness techniques (Weick et al., 2008). The opposing viewpoint of mindfulness, mindlessness, relies on formerly established information, less attentiveness, and strict adherence to rules, “like being on automatic pilot” (Langer, 1997, p. 4). Weick and Sutcliffe (2015) describe how mindfulness works in systems: “By mindful, we also mean that systems strive to maintain an underlying style of mental functioning that formulates increasingly plausible interpretations of the context, the problems that define it, and the remedies it contains” (p. 18).

Organizational mindfulness examines the magnitude to which an organization captures discriminatory detail about emerging threats and takes immediate action (Weick et al, 2008). Vogus and Sutcliffe (2012) describe organizational mindfulness as consisting of the following concepts:

- Preoccupation of failure–regularly and robustly discussing potential threats to reliability;
- Reluctance to simplify interpretations–developing a nuanced and current understanding of the context by frequently questioning the adequacy of existing assumptions and considering reliable alternatives;
- Sensitivity to operation–integrating these understandings into an

up-to-date big picture;

- Commitment to resilience–recognizing the inevitability of setbacks and thoroughly analyzing, coping with, and learning from them; and
- Underspecification of structures–deferring to expertise rather than authority when making important decisions. (p. 723)

Ray, Baker, and Plowman (2011) argue organizational mindfulness develops as leaders appreciate attention to details, promote informed decision making at different levels and quickly take action to produce results. Organizational mindfulness starts with top-level managers and flows throughout the organization, becoming a long-lasting characteristic of organizational culture (Vogus & Sutcliffe, 2012). In contrast to organizational mindfulness, mindful organizing is a social process, which relies on responsibilities of work teams for continuous exchanges of information through briefings, meetings, and in routine operations. The processes of lower-level management (i.e., front line employees) inform administration and require constant management (Vogus & Sutcliffe, 2012). There are three major claims about organizational mindfulness: (a) it results from top-down processes; (b) it creates the context for thinking and action on the front line; and (c) it is a relatively enduring property of an organization like culture (Vogus & Sutcliffe, 2012, p. 723). Organization mindfulness has other attributes. For instance, organizational mindfulness is the more stable structure and is useful to business schools operating under volatile conditions (Ray et al., 2011). Business schools, which practice organizational mindfulness, are more likely to achieve their mission (Ray et al., 2011).

Summary

The general topics developed through a review of the literature include the role trust plays in the accounting profession and within a changing business environment. The discussion of trust substantiates the important purpose of the academy to advance ethical accounting education (Langenderfer & Rockness, 1989). Likewise, a review of the history of accounting education explains why a narrow viewpoint of developing graduates solely for an entry-level position sustains outdated curriculum strategies (Black, 2012). The final general topic explores renewed goals of accounting education, including the development of ethical competencies, contributing to prospective curricular expansion.

Three theories, which frame the problem and purpose of the study are Kohlberg's theory of cognitive moral development, stakeholder theory, and organizational mindfulness. Kohlberg's theory of moral development provides an understanding of an individual's moral developmental patterns over time (Kohlberg & Hersh, 1977). Consequently, Kohlberg's framework guides educational goals and curriculum development (Geary & Sims, 1994). Second, stakeholder theory, a managerial approach, emphasizes the relevance of investing in relationships and sharing of core values with those who have a stake in the organization (Freeman, 2004). Stakeholder theory supports the premise of corporate social responsibility and provides the underlying logic in making ethical business decisions (Stuart et al., 2014). Last, organizational mindfulness addresses the manner in which organizations analyze and respond to promptly meet their goals (Ray et al., 2011).

CHAPTER III – METHODOLOGY

Chapter III includes a discussion of the instrument, description of participants, and details of data collection techniques. Globalization and rapid developments in technology change the activity of worldwide business enterprises. Simultaneously, corporate accounting scandals call attention to the effectiveness of the accounting profession, thereby contributing to the diminution of public trust in the profession (Mastracchio et al., 2015). Ethical accounting educators in American universities, who provide the scholarly framework for graduates entering the profession, must adapt to the changing business environment through integration of curriculum strategies that develop students' ethical competencies (Lawson et al., 2014; Martinov-Bennie & Mladenovic, 2015).

This research investigates practitioners' perspectives of ethical accounting competencies required for ethical accounting decision making. In addition, the study seeks to identify ethical accounting issues and behaviors experienced by practitioners. The theoretical framework and the literature review support the relationship between development of ethical competencies and graduate preparedness for successful careers. Before data collection began, The University of Southern Mississippi Institutional Review Board reviewed and approved this study (See Appendix D). The following research objectives for this study are identified:

RO1. Describe the demographics of participants (i.e., gender, educational level, years of business experience, professional certifications, business position, and industry type).

RO2. Determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions.

RO3. Identify ethical accounting issues and behaviors experienced by practitioners.

Research Design and Methodology

This study was conducted as qualitative research, which derives from anthropology, sociology, the humanities, and evaluation. Qualitative research is an approach for determining individuals' or groups' impressions of a social problem (Creswell, 2013). This study uses the phenomenology approach to qualitative research. Moustakas (1994) describes the phenomenological approach as one, which "involves a return to experience in order to obtain comprehensive descriptions that provide the basis for a reflective structural analysis that portrays the essences of the experience" (p. 12). According to Creswell (2013), the phenomenology approach allows the researcher to capture the lived experiences of individuals about a phenomenon. The participants describe their events to the researcher, resulting in essence, the experiences of all participants who encountered the phenomenon (Creswell, 2013).

Moustakas (1994) identifies four processes of phenomenological inquiry: epoche, phenomenological reduction, imaginative variation, and synthesis of meanings and essences. Epoche, or bracketing, is the first step in seeing the reality of the phenomenon; the researcher sets aside biases and preconceived notions to open the interview with an approachable presence. At this point in the process, the researcher conducts the qualitative research interview to obtain perspectives of participants.

The next step involves phenomenological reduction to isolate the phenomenon and develop an understanding of its structure and fundamental quality. Isolation occurs through horizontalization, the process of putting forth the data for examination. The data is then organized into clusters or themes. Imaginative variation involves viewing the data from more than one frame of reference. The final step in the process results in an integrated account of the essences of the experience. Phenomenological inquiry establishes a method for analyzing human experience and gaining knowledge about the experience (Moustakas, 1994).

Population and Sample

The population of this study comprises the non-student members of the Mid-South, Memphis Chapter of the Institute of Management Accountants (IMA), an international association of accountants and financial professionals. The current membership of the Chapter is approximately 350 members who work in Memphis, Tennessee or surrounding areas, such as Arkansas, Mississippi and Tennessee (J. Bowman, personal communication, February 17, 2017). The IMA is a resource for approximately 80,000 professionals (members who work in public and private corporations, academia, and not-for-profit institutions) and more than 300 chapters; IMA's guiding principles include "highest standards of integrity, innovation and continuous improvement and teaming to achieve" (IMA Annual Report, 2016, p. 2).

Creswell (2013) suggests researchers acquire approval from an individual in charge, who can give authorization for collecting data. In this study, the current president of the Mid-South, Memphis Chapter served as project sponsor. See Appendix E, Project Sponsor's Agreement Notification.

This study used a nonprobability sampling strategy identified as purposeful sampling. Purposeful sampling entails a desire to discover, understand, and gain insight from experts who have competence in the field of study (Merriam & Tisdell, 2015). Participants, considered experts in the field of accounting and finance, work in various industries and economic segments of the economy.

Additional criteria concerned the size of the sample. Creswell (2013) suggests a set number of participants required for qualitative studies do not exist; rather, sample size depends on the type of study design. For instance, a phenomenology approach typically includes from three to ten participants (Creswell, 2013). Final sample size for this study was 13 participants. Because the research draws on work experiences of participants, selection included those members who have a minimum of two years' experience in the field of accounting and finance. The Institute of Management Accountants considers two years' experience sufficient to meet certification requirements of the certified managerial accountant (CMA Handbook, 2017). In addition to possessing experience in the field, research participants should desire an understanding of the nature of the study, willingly participate in the interview process and allow publication of collected interview data (Moustakas, 1994). Selection criteria for this study includes:

- Non-student members of the Mid-South, Memphis Chapter of IMA located in Memphis, Tennessee, and
- Non-student members who have a minimum of two years experience in the field of accounting and finance.

Charmaz (2014) states data collection is sufficient "when the properties of your theoretical categories are 'saturated' with data . . . when gathering fresh data no longer sparks new theoretical insights or reveals new properties" (p. 212). The following phenomenological studies in the field of finance or accounting education represent varying sample size and serve as a guide for determining a range of participants in this study:

- Researcher perceptions of ethical guidelines and codes of conduct—64 faculty members in six research disciplines (Giorgini et al., 2015)
- Deep and surface approaches to learning within introductory accounting, a phenomenographic study—10 students in one university (Lucas, 2001)
- Communicating and controlling strategy: an empirical study of the effectiveness of the balanced scorecard—14 managers and distributors (Malina & Selto, 2001)
- Generic Attributes in Accounting: The significance of the disciplinary context—37 academic staff in two universities (A. Jones, 2010)
- Investigation of the Impact of an Ethical Framework and an Integrated Ethics Education on Accounting Students' Ethical Sensitivity and Judgment—25 students at one university (Martinov-Bennie & Mladenovic (2015).

Drawing on their work experiences, the participants described their perceptions of ethical competency effectualness in the workplace and relevant strategies for integrating ethical competency development in accounting curriculum. The potential sample for this study ranged between 10 and 30 participants. However, final determination of the number of participants and sufficiency of data was based on the saturation of data, when details appear to repeat similar perceptions and themes recur. See Chapter IV for information concerning how the researcher determined saturation was accomplished in this study.

Research Instrument

For this study, qualitative research interviews were conducted to discover the experience of participants, who work in the fields of accounting and finance to determine perspectives concerning ethical competencies in the business decision making. The primary source of data was long interviews with accounting and finance professionals. The long interview is one of the most powerful techniques in qualitative research; the long interview "gives us the opportunity to step into the mind of another person, to see and experience the world as they do themselves" (McCracken, 1988, p. 9). Further, the long interview format is used to gain insight into how each participant perceives ethical competencies in decision making.

McCracken (1988) identifies a four-step method of inquiry in the long qualitative interview. The following four steps are explained and discussed:

Review of analytic categories – An exhaustive literature review enables the investigator to define problems, analyze data and develop the interview questionnaire. The literature review functions as an initial step in qualitative analysis by providing relationships to be investigated.

- Review of cultural categories – Determining cultural categories engages the investigator in the processes of familiarization and defamiliarization; the investigator identifies cultural categories and their interrelationship to prepare the templates for determining "matches" in the interview data.

  Familiarization is necessary to develop listening skills needed for data collection and analysis. Defamiliarization allows the researcher to create distance from his or her deeply embedded cultural assumptions to reduce researcher bias. Review of cultural categories aids in determining construction of the questionnaire.

- Discovery of cultural categories and interview procedure – Construction of the questionnaire begins with biographical questions to start the interview and establish descriptive details of the participants. "Grand-tour" questions and "floating" and "planned" prompts follow. The interview procedure includes prompts so the participant can consider phenomena that do not easily come to mind. For example, a typical planned prompt is the "contrast" prompt, which questions the difference between categories x and y. The planned prompt offers an opportunity for further discussion. The participant relates their own stories while the researcher listens for key terms.
- Interview analysis and the discovery of analytic categories – the investigator examines and analyzes the observations, drawing conclusions. Analysis involves the determination of categories, relationships, and assumptions that inform the participants' perceptions. The goal of interview analysis is the development of patterns, which may be consistent with or demonstrate contradiction of relationships and assumptions. (pp. 29-48)

The long qualitative interview assumes data collection will take place in one session and data analysis will take place in two or more separate and successive stages. Data collection involves person-to-person interviews conducted in offices or other convenient meeting rooms of the participants. Data collection in natural settings where participants encounter issues under study, are a crucial characteristic of qualitative research (Creswell, 2013). Additionally, person-to-person interviews allow the focus to be on each individual to obtain a personal perspective of the context being studied, especially during discussion of sensitive issues or private opinions (Ritchie & Lewis, 2013).

The developed questionnaire was not meant to "specify precisely what will happen at every stage of the journey . . . but it does establish a clear sense of a direction of the journey and the ground it will eventually cover" (McCracken, 1988, p. 37). The questionnaire in this study followed a semi-structured format. Merriam and Tisdell (2015) suggest the semi-structured format allows the participant to discuss specific information relating to experiences and viewpoints. A draft of cultural categories and interview questions is in Appendix F Interview Questionnaire. Each interview question is linked to a specific research objective and literature reference. See Table 3

Table 3

Research Objectives Linked to Interview Questions and Literature Review References

Research Interview Question Numbers	Research Objectives	Literature Review References
1	RO1	
2	RO2	Treadway et al. (1987) Beverungen et al. (2013)
3	RO2	Lawson et al. (2014)
4	RO2	Pathways Commission (2012)
5	RO2, RO3	Treadway et al. (1987) Lawson et al. (2014)
6	RO2, RO3	Pathways Commission (2012) Lawson et al. (2014)
7	RO3	Lawson et al. (2015)

Validity and Reliability

According to Gibbs (2007), qualitative validity recognizes the researcher uses certain procedures to investigate the findings for accuracy; qualitative reliability shows the researcher consistently applies an approach across different researchers and different projects. The researcher used a number of strategies to determine validity of the findings. Creswell (2013) proposes the following eight strategies:

- Triangulation—The examination of different sources of data or several perspectives from participants to formulate a logical explanation for themes. If themes can be established, the process adds validity to the study.
- Member checking—Participants are allowed to review the transcripts of the participants for accuracy. The researcher may conduct a follow-up interview seeking comments from the participants on major findings, themes, and case analysis.
- Rich, thick descriptions—Researchers use detailed descriptions to depict the setting and share the experiences of the participant to show realistic and rich findings.
- Negative or discrepant information—Researchers present information that contradicts the general perspective of developed themes, if that information exists. Inclusion of negative or discrepant information makes the participant's account more realistic and valid.
- Prolonged time in the field—The researcher spends as much time in the field as possible to learn about the setting and to obtain an in-depth understanding of the data presented by participants.
- Peer debriefing—Using a peer reviewer (peer debriefer) to analyze collected data adds validity to an account.
- External auditor—Using an external auditor, who is not familiar with the researcher or the project to provide an assessment of the overall project. Independent evaluation adds validity to the study.

Three of Creswell's most regularly used strategies (triangulation, member checking, and use of rich, thick description) were incorporated into this study to determine validity. Creswell (2013) states triangulation, member checking, and use of rich, thick description are straightforward and routinely incorporated into qualitative studies more often than other strategies. Merriam & Tisdell (2015) argue triangulation remains a principal strategy to strengthen internal validity of a qualitative study. Triangulation compares and crosschecks multiple sources of data through observations at different times or places, or interview data collected from people with varying perspectives. In this study, triangulation included comparisons of interview data collected from participants with multiple perspectives. Patton (2015) notes "triangulation, in whatever form, increases credibility and quality by countering the concern (or accusation) that a study's findings are simply an artifact of a single method, a single source, or a single investigator's blinders" (p. 674).

A second common strategy for establishing validity involves member checks, or respondent validation, to ensure misinterpretation does not occur (Merriam & Tisdell, 2015). The researcher requests feedback from participants regarding initial or emerging findings. Member checks determine validity of researcher interpretation derived from participants' experiences by asking participants if they recognize their experiences. Participants either recognize their experiences as told to the researcher or suggest an accurate way to describe the experience (Merriam & Tisdell, 2015). In this study, participants were asked to comment on their transcripts from their interviews in order to authenticate the findings.

The last strategy of establishing validity is use of rich, thick descriptions. Words and pictures form the context about a phenomenon; descriptions of the context and the participants involved can be in various forms (i.e., quotes, documents, field notes, participant interviews, videotapes, or electronic communications; Merriam & Tisdell, 2015). Creswell (2013) likens the use of rich, thick description to transporting readers to a place and time of shared experiences. Detailed descriptions can add validity to findings because results are often more realistic and offer many perspectives about a theme (Creswell, 2013). Incorporating these validity strategies into the study will enhance accuracy in data collection, interpretation and reporting of the research results (Creswell, 2013).

The ability to replicate research depends on that study's reliability or consistency (Merriam & Tisdell, 2015). However, replication of a qualitative study will not produce identical results "because socially constructed understandings are always in process and necessarily partial, even if the study were repeated (by the same researcher, in the same manner, in the same context, and with the same participants), the context and participants would have necessarily transformed over time-through aging, learning, or moving on" (Tracy, 2013, p. 229). According to Gibbs (2007), documentation of systematic procedures in the study enhances reliability of approaches used in the study. Gibbs (2007) recommends reviewing transcripts for accuracy, using an independent person for crosschecking codes for intercoder agreement, and evaluating for drift in the definition of codes (e.g., shift in the meaning of codes) to enhance reliability. Systematic review procedures were incorporated in this study to enhance reliability. The researcher's dissertation committee chairman reviewed study procedures.

Confidentiality

Confidentiality in qualitative research holds the utmost importance for the researcher, participants and the information they share. Sieber (1993) provides the following distinctions among the terms privacy, confidentiality, and anonymity:

- Privacy–control over others' access to oneself and associated information, or preservation of boundaries against giving protected information or receiving unwanted information,
- Confidentiality–agreements with a person or organization about what will be done (and may not be done) with their data – may include legal constraints, and
- Anonymity–lack of identifiers, information that would indicate which individuals or organizations provided which data (p. 127).

Participant information is strictly confidential and no names will be disclosed. Participants who volunteer to be interviewed in the study were assigned an interview number that cannot be linked to personal identifiers. Consequently, participant comments were not linked to an individual and personal identifiers were not included in the study's final report. Further, all data was stored in a password protected electronic format.

Data Collection

The data collection began after approval by the dissertation committee and the university Institutional Review Board (see Appendix D) of the proposal. The president of the Mid-South, Memphis Chapter of the IMA served as project sponsor to promote the study and assist in gaining access to study participants. Data collection was initiated by the project sponsor, who forwarded an introductory email to non-student chapter members and a follow-up introductory email to gather additional participants. Willing participants sent an email to the researcher indicating interest in participation in the study and a proposed date and time. One study participant responded to the first email and one participant responded to the second email. The project sponsor personally recruited all other participants.

The researcher forwarded a return email with more detailed instructions regarding interview procedures to the participants. The return email included interview questions and a listing of ethical competencies considered important to researchers. Participants used the listing of competencies to recall past business experiences.

Study procedures, including a listing of the study's phases, the number of days for completing the study, and general completion tasks, are included in Table 4. The introductory, data collection and analysis phases began upon receipt of the first participant email response. As each interview was conducted, the analysis and reporting phases were simultaneously accomplished. Hence, the time frames for those phases of the study overlap and concluded with appreciation emails for all participants. After receipt of study approval through the University of Southern Mississippi, all phases of the study lasted approximately three months.

After receipt of study approval from the University of Southern Mississippi, but before the Introductory Phase of the study began, the researcher conducted a pilot study. According to Merriam and Tisdell (2015), the pilot study should include all aspects of the main study. This study was conducted to try out the research instrument, interview time requirements, interview script and provide training for prompting interviewees. The data was transcribed and analyzed for possible themes. Two members of accounting and finance professions, who had over 20 years of service, were interviewed in their offices. The study practitioners gave their perspectives concerning ethical accounting competencies they distinguish as important in their work experiences. They also related ethical issues and behaviors they encountered in the workplace. Pilot study data is not included in the main study.

Table 4

Study Procedures

Schedule Phases	Day	Tasks
Pre-Study Phase	1	Receipt of Institute Research approval from University of Southern Mississippi
	4 – 7	Conduct Pilot Study
Introductory Phase	14	Send introductory email from Project Sponsor to chapter members introducing researcher and encouraging participation in the study.
		Return receipt of emails from willing participants to researcher.
		Send confirmatory email from researcher to willing participants explaining details of the study, the interview time and process. Includes interview questions and suggested ethical competencies.
	20	Send second introductory email from Project Sponsor to non-participating chapter members to encourage participation in the study.
	20–42	Receipt of emails from willing participants to researcher.

Table 4 (Continued)

		Send confirmatory email from researcher to willing participants explaining details of the study, the interview time and process. Includes interview questions and suggested ethical competencies.
		Receipt of participants' confirmatory emails and follow-up acknowledgement of scheduled interview.
		Send reminder email to participants one day before scheduled interview.
Data Collection Phase	20 – 50	Conduct interviews and complete transcription.
		Send appreciation emails upon completion of each participant interview.
Analysis Phase	22 - 60	Use Interpretative Phenomenological Analysis and NVivo qualitative software to analyze interview data line by line, code data to generate themes, develop tables for data presentations, and originate an interpretation of the research.
	24 – 54	Send member check emails to participants for respondent validation.
		Receipt of return member check emails. Non-receipt indicates agreement of participant concerning transcribed data.
		Send appreciation emails upon completion of each participant interview.
Report Phase	60 – 139	Report the findings in a descriptive narrative format to present participants' perceptions.
Final Phase	Final	Send special final report to participants.
		Final disposal of documents per IRB approval

Introductory Phase

In the Introductory Phase, selection and enlistment of participants was completed. The Chapter president, as project sponsor, sent a personalized, introductory email to all non-student members of the Mid-South, Memphis Chapter of IMA. According to Dillman, Smyth, and Christian (2014), personalization can establish authenticity of the researcher and the interview process; personalization can increase trust of the respondents in the researcher and the project. The introductory email included a project endorsement from the Chapter president and a brief overview of the study and interview process. The email explained the reason for conducting the study, an estimation of required time, a description of interview process, and a request for the member to respond with a possible interview date, place and time. Further, the email highlighted the significance the study may have on the profession, the practitioner, and accounting graduates. Finally, the introductory email included information regarding confidentiality and anonymity of the interview process.

The project sponsor explained that a special report of study results would be emailed to all participants at the project's conclusion. See Appendix G, Project Sponsor's Introductory Email. Later in the Introductory Phase, the Project Sponsor sent a follow-up email to non-participating members of the Chapter, encouraging members to participate. The project sponsor reiterated the importance of each member's contributions to the study and explain project deadlines. Dillman et al. (2014) suggest multiple contacts with potential sample members increase the amount of response and provide opportunities to explain various features of the study. See Appendix H, Project Sponsor's Follow-up Email.

The last step in the Introductory Phase included a response email from the researcher to eligible participants who indicated an interest in the project. See Appendix I, Researcher's Initial Contact Email to Eligible Participants. The response emails were sent to participants as they reply to the sponsor's request. The researcher proposed various interview days and times and requested that participants choose an interview date, time and location. The email provided the researcher's contact information and contained information about interview scheduling, including permission to interview, and the interview process. The email also included an advance copy of the interview questionnaire and a listing of potential ethical competencies so study participants could review elements of the study and recall experiences of the past. When participants returned their desired interview date and time, the researcher confirmed with an acknowledgment email. See Appendix J Acknowledgment of Interview Date, Time, and Location from Researcher to Participant (Serves as Reminder Email). This email from the researcher confirmed participation in the project. Once project participation was confirmed, all interviews were conducted using a standard interview procedure.

Data Collection Phase

During the Data Collection Phase, the researcher traveled to participants' meeting places to conduct the interviews. Reminder emails were sent to participants the day before each interview (See Appendix J). During the interview meeting, but before interviews began, the researcher explained required participant consent forms and obtained each participant's signature confirming consent to participate in the study. See Appendix K, Office of Research Integrity Long Form Consent. According to Creswell (2013), participants should sign informed consent forms, which acknowledge protection of human rights, before the interview process. Further, the university Institutional Review Board requires participant signatures on informed consent forms before data is collected.

Participant interviews lasted 45-60 minutes. In this study, the long interview format was used. According to McCracken (1988), the interview is the third and most important step, as well as the most challenging portion of the study. The interviewer listens for key terms used by the participants in describing unethical dilemmas encountered in the workplace. In addition to key terms, the researcher considers assumptions, companion terms, and the interrelationships of those terms; the interviewer will use grand-tour questions to gain further understanding, prompting the participants for more information when necessary (McCracken, 1988). Grand-tour questions are a series of repeated phrases, which broaden the scope of the simple, single statement (Spradley, 1979). The elaboration of grand-tour questions allows the participant additional time to consider the question and respond (Spradley, 1979).

The interviewer followed an interview script containing opening comments, general instructions, and interview questions. See Appendix L, Interview Script. The first interview question concerns collection of demographic information. Subsequent interview questions pertain to three distinct cultural categories developed through the literature review. Brief descriptions of the cultural categories include (a) trust in providing support, (b) higher education's goals for graduate preparation, and (c) ethical accounting curriculum strategies. Three questions were asked about practitioners' beliefs regarding the need for trust in the current business environment. Specific questions referencing essential ethical accounting competencies for ethical decision making were included. Finally, practitioners were asked to describe ethical issues and behaviors likely to be encountered in current business environments. The interviewer also followed-up with unscripted prompts, which offered an opportunity for participants to have further discussion of their experiences.

McCracken (1988) suggests recording interviews to obtain a verbatim transcript of the interview testimony. Two audio recorders were used to ensure the material was accurately captured. In the event one recorder did not function properly, the other would serve as a backup. During the Interview Phase, the researcher interviewed participants and transcribed the interviews. An appreciation email was sent to each participant upon completion of each interview. See Appendix M, Appreciation Email to Participants. Final interviews were transcribed and data analysis was completed.

Analysis Phase

During the Analysis Phase the researcher sent participants' transcripts to respective participants for review and comment on the accuracy of the information documented during the interview phase. See Appendix N, Member Checks Email to Participants. The Analysis Phase included an application called Interpretative Phenomenological Analysis to investigate ethical business experiences and determine perceptions of accounting and finance professionals. Participants' comments were grouped and identified as recurrent themes. NVivo software was used to manage the data and perceptions offered by the professionals in the development of themes for final reporting. NVivo software uses *Nodes* and *Cases* to develop initial themes. As the analysis phase continues, some nodes are retained and others are omitted. Emerging themes can be determined as additional data is analyzed.

Report Phase

The final phase of the study is the Report Phase. During this phase, patterns and relationships, identified as themes in the analysis phase, were reported along with evidence from each participant. The purpose of the reporting phase is to present the data and an interpretation for what the data mean in this study. Upon completion of final approvals by the dissertation committee, the researcher provided a special report of findings to each participant.

Data Analysis

Data analysis and reporting of initial interviews typically take place simultaneously as other interviewing, analysis and reporting continue (Creswell, 2013; Merriam & Tisdell, 2015). Data analysis in this qualitative study overlapped the data collection and report phases. Qualitative computer software was used to assist in data analysis and reporting. NVivo software was used with the Interpretative Phenomenological Analysis (IPA) approach to electronically code and analyze the qualitative research data. IPA is a qualitative research approach "committed to the examination of how people make sense of major life experiences" (Smith, Flowers, & Larkin, 2009, p. 1). IPA considers "an experience" as the smallest unit of a significant event of the participant; IPA research seeks to capture the participant's opinions about different components of the experience to interpret a common meaning (Smith et al., 2009, p. 2). The IPA approach allows researchers to use the interview as a method of data collection; it is best suited in studies, which invite the participant to provide rich and detailed accounts of personal experiences.

IPA studies typically involve relatively small sample sizes to examine convergence and divergence. Data collection occur in the form of semi-structured or non-structured interviews. The researcher interprets the transcribed narrative and presents the data with verbatim extracts from participants (Smith et al., 2009). According to Conrad (1987), the researcher attempts to adopt an insider's perspective or frame the event from the participant's view; at the same time, the researcher attempts to progress along with the participant, asking questions and contemplating what the participant conveys. At this point, the analysis depends on the interpretative work of the researcher (Conrad, 1987). Therefore, two viewpoints, an in-depth understanding of the event and an analysis and illumination of the event, are reported (Smith et al., 2009).

A final characterization of IPA denotes a set of common processes and practices described as an iterative and inductive cycle using the following action plan:

- Line-by-line analysis of the assertions and understandings of the participant,
- Identification of themes within the data, emphasizing convergence and divergence, commonality and nuance, for single cases first, and next across multiple cases,
- Development of an interpretative account from a "dialogue" between researcher and coded data and researcher's psychological knowledge about meanings of participants,
- Development of a structure or frame illustrating relationships between themes,
- Organization of all material tracing data through the process of initial comments, thematic development, and final structure of themes,
- Supervision, collaboration, or audit of the interpretation to evaluate consistency and logic,

- Full narrative development with detailed analysis of data, theme-by-theme, and usually supported by a graphic, and
- Researcher reflections on the data gathering and reporting processes. (Smith et al., 2009, p. 79)

The principal concern of IPA encompasses lived experiences, and the meaning of those experiences, as interpreted by the analyst; the analysis is always “tentative and subjective” (Smith et al., 2009, p. 80). Concurrently, subjectivity of the analysis involves a written dialogue that is systematic and rigorous and the results are available for verification (Smith et al., 2009).

The NVivo software is designed to manage the reported data from participants. According to Bazeley and Jackson (2013), use of a computer aids in maintaining rigor in the analysis of collected data. NVivo provides five principles for data gathered and entered into the application: (a) manage data, (b) manage ideas, (c) query data, (d) graphically model, and (e) report from the data (Bazeley, 2007). Managing data and managing ideas is a feature that organizes data so that quick access can be accomplished. Query data allows the researcher to retrieve relevant data to answer simple or complex questions. The graphic model shows the content and structure of concepts, sampling strategies, and timelines in varying displays. Finally, the NVivo report demonstrates ideas and knowledge derived from the qualitative database and displays the outcomes of the study (Bazeley & Jackson, 2013). NVivo software has the capability to find and include every recorded use of a term or every coded instance of a concept; therefore, it ensures a more complete set of data than might happen when data is searched and recorded manually (Bazeley & Jackson, 2013).

Research Objective One describes the biographical information and demographics of participants (i.e., gender, educational status, years of business experience, professional certifications, business position, and industry type). According to Moustakas (1994), biographical information provides a description of the participant's life and can inform the participant's subsequent testimony. Additionally, the business role or position of a participant, as well as the level of education and years of business experience, impact attitudes, behaviors and experiences and influence responses to interviewer's questions (Bazeley & Jackson, 2013).

The participants of this study included non-student chapter members of Mid-South, Memphis Chapter of IMA. The accounting and finance professionals, who are members of the Mid-South, Memphis Chapter are individuals from a wide-range of the accounting and finance industry. Demographic information fully described participant's qualifications and experience levels in various industries. See Table 5 for a description of demographics of study participants.

The development of themes for comparative analysis and reporting is foundational to qualitative analysis (Bazeley & Jackson, 2013). NVivo software aids in creating cases drawn from data sources to contain all of the data about each case. Once cases are established, qualitative data is added. At this point, the researcher explored patterns and relationships in the data to develop themes. According to Bazeley & Jackson (2013), the researcher builds a "logical chain of evidence" and provides complete apparent explanations and conclusions (p. 264). See Figure 5 for a classification and listing of study themes.

Summary

Chapter III describes the methodology of the study. This study used the phenomenology approach to qualitative research and involved gathering interview data from accounting and finance practitioners who have professional experience in the business environment. According to Miles, Huberman, and Saldana (2014), an important feature of qualitative data includes the “focus on naturally occurring, ordinary events in natural settings, so that we have a strong handle on what ‘real life’ is like” (p. 819). Further, Miles et al. (2014) state that qualitative data, with its strong focus on people’s lived experiences, can capture meanings people associate with events, processes, and structures. This study determines accounting and finance practitioners lived experiences in business to capture meanings associated with unethical behavior. Practitioners’ perceptions can aid in determining important ethical competencies to enhance ethical accounting decision making. The study also links practitioners’ strategies and practices regarding ethical dilemmas in the field to ethical accounting curriculum development.

The study used purposeful sampling to recruit accounting and finance professionals who are non-student members of the Mid-South, Memphis Chapter of the Institute of Management Accountants and who have a minimum of two years’ experience. The Institute of Management Accountants is an international association of accountants and financial professionals working in various sectors of business. The long interview technique, used in this study provides a method of gaining insight into how each participant perceives ethical competency effectualness in business.

Chapter III also includes a discussion of validity and reliability of the research findings. Triangulation and member checking provide two distinct strategies of validity to enhance accuracy in data collection and analysis. Reliability procedures include reviewing transcripts for accuracy, independently crosschecking codes for intercoder agreement, and examining codes to determine any shift in meanings. Confidentiality and anonymity maintain an elevated importance in this study to ensure participant information is guarded and identities are protected. Participants who volunteer to be interviewed will be assigned an interview number to ensure personal information cannot be associated with participants. Personal identifiers will not be included in the study's final report.

Last, Chapter III explains the different phases of data collection and outlines the systematic procedures of participant recruitment, interview and follow-up. Data analysis involved the use of the Interpretative Phenomenological Analysis approach to electronically code and analyze the qualitative research data and NVivo computer software to manage the reported data from the participants. Interpretative Phenomenological Analysis allowed the researcher to determine the participants' viewpoints, but also to ask questions and deliberate on responses from different angles to report the interpretive work of the researcher (Smith et al., 2009). NVivo software works in conjunction with Interpretative Phenomenological Analysis to analyze and report findings of the study.

CHAPTER IV– RESULTS

The purpose of this study was to determine accounting and finance practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. An additional study objective was to identify ethical accounting issues and behaviors experienced by practitioners in their workplaces. This chapter provides an examination of the results from the qualitative analysis of data collected from accounting and finance practitioners.

This research provides an understanding of current ethical issues typically encountered by practitioners and their views concerning ethical competencies essential to addressing ethical accounting decision making in the workplace. A semi-structured questionnaire was used to determine practitioners' perceptions about ethical accounting phenomenon. Corporate accounting scandals call attention to the effectiveness of the accounting profession to maintain public trust (Mastracchio et al., 2015). Scholars agree ethical accounting education aids in solidifying public trust in the accounting profession (Abend, 2014; Mastracchio et al., 2015, Waples et al., 2009). However, accounting education research indicates that accounting educators are unfamiliar with the academic disciplines underlying ethics research (Armstrong, 1990; Gaa & Thorne, 2004; Martinov-Bennie & Mladenovic, 2015). Therefore, advancing ethical accounting education lacks progress (Gray et al., 1994; Miller et al., 2014). This lack of progress creates a gap in the literature resulting from conflicting research on the efficacy of ethical accounting education and ethical decision making in the workforce. Therefore, this study contributes to organizational development and ethical accounting competencies in accounting education.

Thirteen experienced accounting and finance practitioners participated in the study by providing their perceptions of important ethical accounting competencies. The social context of the data can be explained by describing the practitioners' demographics, educational experiences and professional experiences in various organizational positions and industries. Interview questions, shown in Appendix F, incited participants to offer their perceptions of ethical accounting competencies important to ethical decision making and to identify ethical accounting issues and behaviors experienced in business settings. All participants were forthcoming in providing their opinions, as well as relating scenarios of specific ethical issues and behaviors encountered during their careers. Most of the participants prepared responses in advance of the meeting and referred to their notes during the interview.

Chapter IV provides a discussion of the perceptions of the practitioners. The research objectives, linked to the interview questions (Table 3), provide the framework for this chapter. IPA researchers formulate interview questions designed to provide data about a participant's "involvement in and orientation toward the world, and/or about how they make sense of this" (Smith et al., 2009, p. 47). Accordingly, the first section of this chapter describes the IPA approach used with NVivo qualitative software to develop classifications and themes from the data. The second section of this chapter explains the strategies used to determine validity and reliability of the study.

The third section of this chapter emphasizes the study participants and provides insight concerning participants' demographics, educational experiences and professional experiences. Following the outline of the research objectives, the remaining sections discuss practitioners' perceptions concerning the foundational need for trust in business and ethical accounting competencies considered relevant to current accounting decisions. The final section identifies ethical issues and behaviors related by practitioners in accounting and finance practice and provides relevance to accounting curriculum.

Analytic Process in IPA and NVivo

In this qualitative study an IPA approach aided in development of a rich source of perspectives about how to examine and understand lived experience. Other approaches, such as phenomenology, narrative psychology, grounded theory, ethnography, and qualitative case study are useful approaches to qualitative studies (Merriam & Tisdell, 2015). However, according to Smith et al. (2009), a key feature of IPA is the focus on an individual's meaning and the researcher's sense-making of that meaning. This feature engages the researcher in a double hermeneutic because the researcher is "trying to make sense of the participant trying to make sense of what is happening to them" (Smith et al., 2009, p. 3).

Analysis using IPA focused on the study participants' attempts to make sense of their experiences. The IPA approach is applicable to this study because it permits the assumption that data can explain something about individuals' involvement in circumstances. Two aspects of the participants' descriptions are required in order to consider using IPA: important "objects of concern" in the participant's world, and the "experiential claims" of the participant (Smith et al., 2009, p. 46). Therefore, IPA requires that participants be given an option to tell their stories, to speak candidly, and to develop their concerns. See Appendix O, Interpretative Phenomenological Analysis, for a list of interview comments and notes.

The following broadly defined steps were taken from IPA in analyzing the data:

- Reading and re-reading
- Initial noting
- Developing emergent themes
- Searching for connections across emergent themes
- Moving to the next case
- Looking for patterns across cases (Smith et al., 2009, p. 81)

Both IPA and NVivo software allow flexibility in analyzing data. The literature review provided initial ideas for potential themes. In addition, the long qualitative interview approach and the responses to interview questions (McCracken, 1988) aided in development of ideas (See Table 3). The researcher, following IPA protocol, began by transcribing the data in an original template for organizational purposes. The transcribed templates were imported into NVivo. Initially, *cases* were set up in NVivo for each practitioner. Demographic information was pulled from these cases. Next, the case became a source for creating case *nodes* or "buckets" of data. Each node was then applied to all relevant text.

According to Bazeley and Jackson (2013), most researchers who employ grounded theory, phenomenology or discourse analysis typically start with detailed analysis and work up to broader categories. The researcher in this study followed an inductive protocol and began with the detail of the study participant interviews. Initial nodes (themes) evolved around the ideas of trust, accounting competencies and dilemmas experienced in the workplace of the practitioner. Nodes were further developed and moved into four classifications (See Figure 5). The final classification, Ethical Issues and Behaviors in the Workplace, includes examples explained by practitioners, which were not originally coded to the initial nodes and linked directly to various competencies. These remaining examples were then evaluated based on (a) identity as an accounting issue and an accounting-related decision, (b) connections of the issues and behaviors across various competencies, and (c) impact of the issue or behavior on stakeholders. Finally, visualizations developed in NVivo are included as a summary of the development of themes in Figure 6.

Validation and Reliability of Findings

Any investigation must be conducted in an ethical manner to ensure validation and reliability (Meriam & Tisdell, 2015). Qualitative validity indicates the researcher strives for accuracy, and qualitative reliability proves the researcher consistently applies an approach across different researchers and different projects (Gibbs, 2007). Three strategies, developed by Creswell (2013), comprise validity determination in this study: (a) triangulation, (b) member checking, and (c) use of rich, thick description.

According to Creswell (2013), one type of triangulation involves compilation of several perspectives from study participants to aid in the logical development of themes. If themes can be established, the process adds validity to the study. The IPA researcher achieves accuracy when exploring one phenomenon from multiple perspectives (Smith, et al., 2009). Further, to obtain a greater range of perspectives in this study, the sample included a variety of participants from a wide range of business positions and industries.

A second participant validation strategy includes obtaining feedback from participants to ensure accuracy of the collected data (Merriam & Tisdell, 2015). The researcher forwarded a copy of the transcribed interview via email to each study participant. The email contained a request for feedback from each participant within a three-day time period. If no responses were returned within three days, the researcher assumed data collection was accurate. Six participants confirmed validity and two of those participants provided changes to the transcription. The researcher made the requested changes and used the revised transcription in data analysis.

The last strategy used in this study to establish validity is the use of rich, thick descriptions of practitioners' perceptions. Participant interviews provided lengthy explanations and descriptions to contextualize the study. Participants explained scenarios by providing details about business processes requiring accounting decisions. Participants chronicled people, places and organizational processes to fully illustrate workplace experiences. Transcript excerpts were compared among participants to interpret and communicate shared experiences.

Gibbs (2007) suggests reliability of the approach to the study is enhanced with documentation of systematic procedures. The IPA approach, undertaken in this study, supplied a method to analyze the data and develop emerging themes. Also, NVivo qualitative software aided in organizing imported data into folders, cases and nodes for quick review and comparison. The software results in accurate and efficient analysis and provides a permanent record of cases and node. NVivo also provides visualization tools.

After transcription of the recorded interviews, the researcher listened to each recording, making comparisons to the typed data. This procedure and the member checking procedures previously discussed ensured accurate transcripts. In addition, an expert researcher aided in assessing the process by crosschecking codes for intercoder agreement and evaluating for variance in the meaning of codes. The researcher and her committee chairman reviewed, discussed and agreed upon the process for data analysis.

An additional issue in qualitative design concerns the amount of investigation needed in the study to produce enough data. This decision is based on the issue of saturation. Saturation occurs when data collection yields no additional insights, and the analysis reveals categories and themes "robust enough to cover what emerges in later data collection" (Merriam & Tisdell, 2015, p. 199). At the point of saturation, tentative categories and themes are known and any further data collection either adds to an already developed theme or it is dropped. In other words, the process becomes more deductive rather than inductive as the category scheme is tested against the data (Merriam & Tisdell, 2015). In this study, saturation occurred with the first eight participants. Tables 7, 8, and 9 are a summary of themes drawn from participant data.

Participants

Accounting and finance professionals with numerous years of experience were interviewed to provide practical data and analysis. This study used a nonprobability sampling strategy known as purposeful sampling to recruit accounting and finance professionals who are members of an international professional association. A sampling of participants was selected from a roster of current, non-student members of the Mid-South, Memphis Chapter of the Institute of Management Accountants (IMA) in a geographical area near Memphis, Tennessee. The IMA is comprised of professionals who work in public and private corporations, academia, and not-for-profit institutions. Professionals who have worked in various business positions and within a wide variety of industries can provide an appreciation of how ethical accounting education can be relevant for accounting practice.

RO1. Describe the demographics of participants (i.e., gender, educational level, years of business experience, professional certifications, business position, and industry type).

Participant Demographics

The Mid-South, Memphis Chapter president served as project sponsor to contact and recruit participants. Willing participants contacted the researcher after receiving an initial introductory email from the sponsor. Two emails were sent by the project sponsor to recruit participants. Initially, only one participant volunteered. However, the project sponsor sent a follow-up email (Appendix H) and personally recruited individuals for the study. All participants received an advance copy of the interview questions and a listing of ethical competencies (Table 2) researchers believe have importance in the field of accounting and finance. All of the participants showed a willingness to give of their time on the job, providing an average of 60 minutes per interview in their offices. One participant, who is retired, asked to meet in a nearby hotel lobby. A second participant who works from her home requested to meet at a nearby coffee shop. Interviews were conducted in Millington, Memphis, and Jackson, TN and in Olive Branch and Oxford, MS. During the interviews, participants shared experiences and discussed the damaging effects of unethical behavior experienced in current positions and with prior experiences. Each participant expressed the merits of ethical behavior conducted in the workplace. One practitioner said about research in accounting ethics,

> I love what you're doing here. It gets so hard and I think it gets even harder for people who are naturally good at accounting; because I think they're drawn to accounting because it is black and white. Ethics is so not. It's almost like two

> different skillsets that you're trying to marry up. It's like saying that Michael Jordan isn't worth much because he isn't a very creative writer.

As discussed later, most practitioners were in agreement concerning relevant ethical accounting competencies, despite the fact that they work in a wide variety of organizations and they have unique experiences in current and past positions covering the tenure of their careers. It was interesting that most of the practitioners felt the need to apologize for not being able to offer up mega financial scandals in their past and current experiences. However, as one practitioner advised, “Every day is an ethical decision.” Instead, all of the practitioners told their stories and related information concerning day-to-day experiences in ethical accounting decision making.

The first objective of this research is to describe participant demographics. Characteristics such as educational level, years of experience, professional certifications, current business positions, and current business industry was collected from the practitioners. Because the interviews were person-to-person, the interviewer noted the gender of each participant. This information is quantified in Table 5.

Table 5

Participant Demographics

Characteristics	Number of Participants
Gender	
Male	7
Female	6
Educational level	
Undergraduate	4
Graduate	8
Doctorate	1
Years of Experience	
<10	2
10 – 19	2
20 - 29	6
>30	3
Professional Certifications	
Certified Public Accountants	9
Certified Managerial Accountants	13
Other	4
Current Business Position	
Upper Management	6
Middle Management	6
Lower Management	1
Current Business Industry	
Agriculture	3
Manufacturing	3
Financial Services	3
Healthcare Services	1
Other	3

As noted, all 13 practitioners are Certified Managerial Accountants (CMAs). Other certifications held by various practitioners in the study include Certified Internal

Auditor, Certified Fraud Examiner, Certified Financial Manager, and Certified Government Financial Manager. One practitioner, who worked in public accounting and in industry, holds a terminal degree and has published over 400 journal articles and 50 books in the field of accounting. Another practitioner is a Six Sigma Black Belt for business process improvement. Additionally, all of the practitioners are members of various professional accounting and finance organizations.

Nine of the 13 practitioners in the study have over 20 years of business experience. Consequently, study participants have held numerous business positions and have worked in many industries over their careers. This study included interviews with six participants from upper management. These practitioners held titles, currently and in the past, of (a) Vice President and Treasurer, (b) Chief Financial Officer, (c) Vice President of Operations, (c) Vice President for Strategic Planning, (d) Director of Finance for Business Process Improvement and SAP Training, and (e) Director of Finance for Corporate Planning, Reporting, and Analysis. Middle management positions, listed by six of the 13 practitioners include, but are not limited to (a) Controller, (b) Accounting Manager, (c) Senior Analyst, (d) Financial Director, (e)Assistant Manager of Manufacturing Accounting, (f) Cost Accountant, (g) Data Processing Manager, and (h) Manager for Financial Reporting and Systems. Lower management positions include (a) Staff Accountant, (b) Senior Accountant, and (c) Payroll and Fixed Assets Manager.

In discussing the years of service participants have with their respective organizations, several practitioners noted their long tenure with organizations, as well as many co-members of their workforce. The long-lasting tenure was attributed to the positive culture of their organizations. One practitioner pointed out, “This is not uncommon. It is just, you have a lot of people with a very long tenure here, which speaks to the environment and culture; that people want to be a part of this. That just doesn't happen. I think that is unique. For the employee, it makes it easy when you try to find a right fit." Another practitioner described her organization's tradition, as far back as 1988, of maintaining a highly ethical culture, stating: "Every employee signed an ethical agreement about their behavior and there was an annual meeting where all of the, I am trying to remember how many, maybe 50 executives came in from around the U.S., and the signing took place in a large conference room. I think I was spoiled." She also noted the signing was video-taped and shared with all of the personnel of the branches.

The practitioners in the study represent typical industries of Memphis. The Mid-South, Memphis Chapter of IMA is located in Memphis, Tennessee and its members work in Memphis and surrounding states of Arkansas and Mississippi. According to the Greater Memphis Chamber Economic Development Team, the following industries are targeted for development in the city: (a) biosciences, (b) logistics and distribution, (c) manufacturing, (d) corporate office, and (e) international business (Greater Memphis Chamber, 2017). Appropriately, all but one of these industries are represented by participants in this study. Practitioners in this study have worked in the following industries: (a) Agriculture (i.e., chemical and fertilizer sales and farm equipment sales); (b) Manufacturing (i.e., pharmaceuticals, furniture, upholstery, and metal fabricating); and (d) Financial Services (i.e., agricultural financing) and Health Services. Other industries represented by participants are (a) Transportation, (b) Education, and (c) Information Technology Services. As noted, the Greater Member Chamber considers corporate offices located in Memphis as a target industry. Corporate offices represent financial investment and job creation. Nine participants in the study currently work at corporate offices in the Memphis area (Greater Memphis Chamber, 2017).

Data Classifications and Themes

The second research objective in this study is to determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. In response to interview questions concerning trust in accounting, study participants described foundational trust in their organizations and gave accounts of the most important accounting competencies they encounter for ethical accounting decision making. The third research objective is to identify ethical accounting issues and behaviors experienced by practitioners. Study participants extracted situations or dilemmas from their workplace experiences to describe typical ethical accounting decisions they face day-to-day. The stories related by the participants are glimpses of their beliefs relevant to ethics in accounting decision making.

Data was collected over a three-week period by conducting in-depth person-to-person interviews of practitioners. Exploratory interview questions (see Appendix E) produced several themes, or classifications, drawn from the data. Within IPA, the researcher looks for themes shared by study participants in order to learn something important about the individuals and their beliefs (Smith et al., 2009).

In this study, practitioners' perceptions concerning ethical accounting competencies needed in accounting decision making can be sorted into four main classifications, each with several themes and explanations related through the experiences of the practitioners. Practitioners shared their experiences in response to a specific interview question. The four classifications, illustrated in Figure 5, are identified as (a)

Trust in complex economic systems, (b) Ethical decision-making qualities, (c) Ethical accounting competencies, and (d) Ethical issues and behaviors in the workplace. Themes, which more fully describe specific opinions and experiences of the participants developed within the major classifications. All in all, there are nine themes, within four classifications. The first classification concerning trust focuses on the themes of Effective Oversight, Segregation of Duties, and Objectivity. The second classification, Decision-making Qualities, includes Professional Judgment, Professional Manner, and Pursuit of Excellence. A third classification, Ethical Accounting Competencies, comprises Tone at the Top, Technical Competence and Professional Skepticism. Finally, the fourth classification involving Ethical Issues and Behaviors is comprised of the practitioners' actual workplace examples of Income Smoothing, Tax Avoidance, and Cash Skimming.

Of the nine themes and three workplace examples, six competencies were identified by the study practitioners as important for ethical accounting decision making. The themes are discussed in the following two sections.

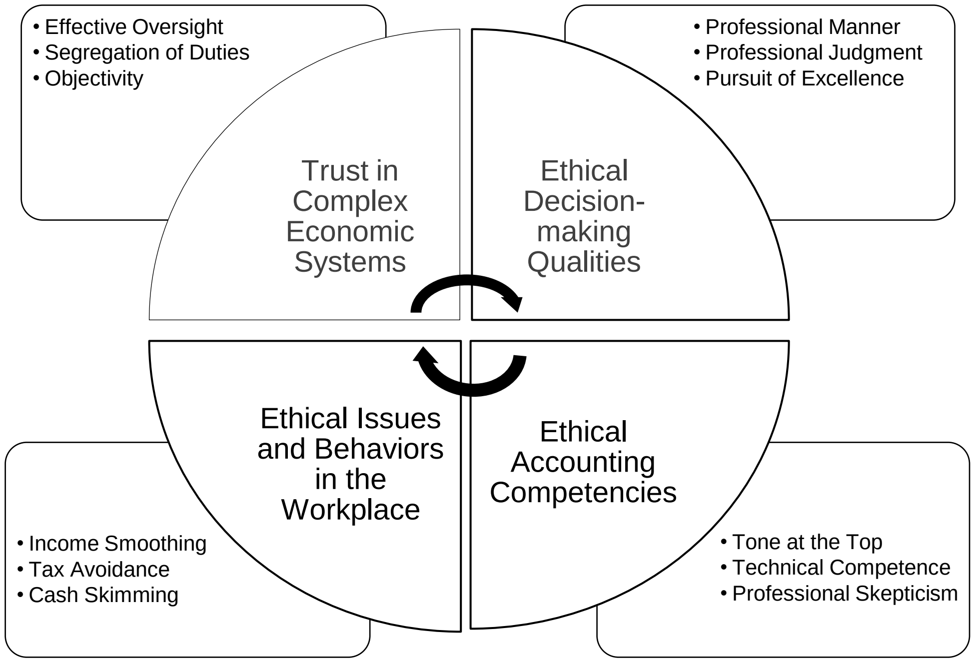

Figure 5. Ethical Accounting Classifications and Themes

RO2. Determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions.

Classification 1. Trust in Complex Economic Systems

The first classification of data concerns trust in complex economic systems. According to Verschoor (2017), an atmosphere of trust in the workplace is one facet of business that is always relevant. Two interview questions prompted participants to discuss the relevance of trust in accounting and in their specific business organizations. A third interview question having to with trust was included in the questionnaire: Reviewing your accounting and finance career, describe unique workplace experiences where trust was violated. The interview questions were given to study participants in advance of their interviews. Most of the practitioners had well thought-out responses which included lengthy accounts of their experiences in the workplace.

The practitioners in the study discussed many aspects of trust and its fundamental relationship to the application of ethical accounting competences (i.e., professional judgment, objectivity) in decision making. However, before evaluating specific competencies, some of the practitioners focused on the organizational system and their roles within that system. For instance, one practitioner talked about her particular concern for the wider concept of accounting within economics. In her discussion of trust, she stated her perception:

> A big part of the assets of the company is the revenue stream, which is not typically an accounting asset. It is an economic asset. I consider, as an accountant; it is a big part of my role to protect the longevity of the company, and not just the assets on the balance sheet.

Another participant considered the need for trust because of his distinctive, complex working environment. He views trust in relation to the organization's human capital, managers, and accountants, who are trusted by the organization to maintain a high standard of technical competence. He said,

> We have over four hundred locations across the country. Our sales are about $4.6 billion a year. But we do have locations. The offices are kind of small, there are not a lot of people. You have to trust that everybody is doing what they are doing according to the procedures and that they are trained on the procedures consistently and accurately across the organization. A lot of time, when you have an acquisition of family business, which you do quite often, it is hard to get people to move to a (Company Name) way when they have been doing it all their lives. But, you do have to have a good degree of trust that people know

> what they are doing, that they are going to act within the best interest of the company, that they are going to do the right thing. You have to trust that they are not going to take shortcuts. Ronald Regan said, "Trust, but verify." You have to trust that everybody is doing what they are doing according to the procedures; that they are trained on the procedures consistently and accurately across the organization.

Similarly, another practitioner, who works in the information technology industry, discussed the accounting function within organizations as a method of providing reliable and trustworthy information for decision making:

> Accounting is not just about balancing the books. Companies make their decisions based on measurement. That measurement gives them an opportunity to recognize that tiny little gem that may grow into something huge, or something that is just the biggest waste of money. You know, we shouldn't make buggy whips anymore. So, to measure your results requires having good information. To have good information, it has to be accounted for in the way it's prescribed today. In serving the operating and marketing people, you have to give reports that are reliable. The only way you do that is by having good information.

With decades of experience in accounting and finance, the practitioners intuitively discussed trust in terms of (a) Effective Oversight, (b) Segregation of Duties, and (c) Objectivity. Many of the study participants, especially those with twenty years or more in accounting and finance, hold upper and middle management positions of oversight within their organizations. Each of the practitioners expressed the seriousness of trust with respect to their responsibilities as managers, the responsibilities employees have to the organization, and the responsibilities their organization has to various stakeholders.

Theme 1. Effective Oversight

Twelve of 13 practitioners described their organizational positions in terms of internal and external oversight. Oversight in management accounting involves safeguarding and using organizational resources in an efficient manner. Effective oversight determines the success and efficiency of programs and operations. Accounting and finance managers have internal oversight through the positions and responsibilities they are charged with. External agencies (e.g. Environmental Protection Agency, Internal Revenue Service, Public Companies Accounting Oversight Board) have oversight over organizations through federal laws and regulations and accounting standards.

One practitioner, who manages a health services business with 20 locations, talked about trust as the foundation for oversight in his position. He described his oversight responsibilities as investment and credit decisions, financial statement preparation, and strategic planning and analysis. He supervises the controller, who manages the accounting and reporting functions, and the manager of healthcare claims including federal government regulations. When asked why trust is important in your specific organization, this practitioner stated his job is, “trying to look out for the good of the company and the stakeholders.” He added, “Trust is paramount to the statements. We look at the company’s financial records and make decisions for our long term future based on what they show. If you can’t place trust in those financial records, it kind of falls apart.”

Another practitioner describes her job as controller in an agricultural equipment sales business, spanning five states, as primarily an oversight function. She feels that trust is enhanced when an employee sees value in their position and responsibilities. She must trust that employees care enough to be engaged, explaining, "Over time, you just learn whether people are trustworthy and when they are not and if they care about doing their job right." This practitioner describes her role relative to effective oversight and the trust she must place in her employees:

> Trusting your employees in your department to know what they are doing, to understand the rules of accounting. Also, they care to do it right. It is important to care and know what you are doing in the lower level entry accounting jobs. I think ethics comes into play with knowing the rules of accounting and following the rules of accounting, as well. Now, in some instances, ethics can be just a moral thing and, in this case with accounting, I think it is knowing the rules and following the rules.

This study participant also discusses trust the organization must place in her because she works at a separate location, hundreds of miles away from many of the offices. This participant is controller of the organization and has oversight over all accounting functions. She reports financial accounting information. She describes management from a distance:

> So trust comes into play even more so, because I am not there to see my managers every single day. That is a very, very unique aspect of our company. And the same thing with the owners of the company because they don't ever live there. They go there way more frequently than I do. They are there once a month. But,

> they are not there every single day. They very much have to trust the employees of the company that they own because, ultimately, they bear the greatest risk in all of this.

A Chief Financial Officer of a business school that depends on federal funding, shared her beliefs about why trust is important in her field. She is tuned in to a more diverse viewpoint of trust, one that embraces her influence on the customer (i.e., students who attend the business school). She offers her thoughts:

> Trust is so important in accounting. We are entrusted with a lot and we are the gatekeepers of the employer's assets. I feel like we should safeguard them as if they were our own. You know that's how you need to look at it. And the stakeholders are the owners, they are your co-workers who are watching you and help keep each other accountable. Your clients are your stakeholders, for us, our students; we are their role models. And they're very cognizant of what's going on. Of course, they know that we are entrusted with their federal money. So you have to, that's very sensitive, and we have to be, you know, always aware of that.

In discussing her complex organizational system in the financial services industry, one practitioner explained her unique perspective of external oversight from the regulating entities she reports to, stating, "The oversight, I think is important to do correctly and not resent the fact that you have oversight and you have reporting." She explains that her organization has only five employees, three of whom are officers. These officers must maintain an acceptable separation of duties. As she points out, "It's hard because, we know the level of trust we have for each other, but the outside people have to be comfortable with that as well. If you don't have some level of trust in management's integrity, it wouldn't work."

In this practitioner's business responsibility of a billion-dollar portfolio procured through a small number of transactions per week, she values the level of oversight that is required, rather than taking offense to what she describes as "tedious and painful" paperwork required in reporting. The practitioner further explains, "Because that keeps me; that gives me a level of comfort, that people are looking at what I'm doing, so I feel like I'm doing it right. And it covers me should something come up."

Another practitioner, who has oversight in a financial services business that moves hundreds of millions of dollars a day, believes accounting transactions that are a misstatement of facts must be viewed as unequivocally dishonest. He describes why trust, even within insignificant outcomes, is important in finance and lending accounting transactions:

> Well, obviously, accounting is built on trust. If people don't have faith in the numbers, they are useless. The thing about accounting is that it is not in matters of degrees. It is very black and white. Because if you lie about one thing, or you misrepresent one thing, it makes everything suspect. And the sad part about it is that most of the time, when something is misrepresented, it is something small. But, then you have to say to yourself, if someone will misrepresent something that is so small, then what are they going to do when it is a big issue? And, we know the answer to that question.

This practitioner also offered an example of the importance of trust in verbally agreed to accounting transactions, something that is unique to his industry. He described the following situation:

> Now in our situation, this is probably more important, it's a lot more important, because like in my specific position everything that we do is verbal. So, we have to move around, the most I've ever moved in one day is $5.4 billion in cash. And the majority of that is done verbally. We have standing agreements in place. Well then, what happens is you are all negotiating and it has to be in good faith. We placed a trade and the dealer accidently gave us too low a rate. They work on commission. They forgot to put their commission on the paper and sent it through; basically, that means that it is free because they made the mistake and it went through. Once it goes through, you're done. But, then I called them and I said, "Hey, you forgot to put your commission on there;" and they said, "Oh, man. That means we don't get paid." But I said, "No, cancel it. Go back and put your commission on it and we will redo everything so that you can get paid. It is the right thing to do. I mean if it was on the other side, and we had messed up, we would hope that you would do that for us." Now, the benefit of doing that when you're in a billion dollars of cash, is when I make a mistake, I can call and say in good faith, this was just a mistake. I made an administrative mistake. Would you help me correct this? That's why I would say trust is pretty important, because if you do the right thing, then in the end, people will help you out. You should always try to help everybody come out ok.

This practitioner ended his explanation saying, “That is one of the things about (Practitioner’s Company) that I really enjoy. One of their mantras that they say is, ‘Do the right thing. You won’t be punished for doing the right thing.’”

Another practitioner expressed a similar viewpoint in discussing how she sees her position of oversight in a manufacturing company. She states, “My job, or as I perceive my job, is to protect the entity, the entity’s image and the people that work there and their livelihood. If you have somebody that is not trustworthy, they can put the whole entity at risk.” This practitioner described a situation that had happened just that week, whereby an employee drove a company delivery truck and returned it in a damaged condition. He dishonestly stated he did not know what happened. Later, a third party disclosed that the employee had a wreck in the vehicle. Also, he was driving without a license, which had recently been revoked due to another undisclosed incident. The practitioner concluded that the delivery employee could have put the entire company at risk. She restated the position of the company, explaining: “The owners, myself, all the management take that very seriously that we want to protect the livelihood of the people that are here every day.” She feels this company philosophy is the reason for many employees’ lengthy tenure with her organization.

Finally, a practitioner who has oversight in his position with a pharmaceuticals manufacturing company, discussed the need for trust from his team of professionals. He also mentioned the need to have separation of duties and internal controls in place to fully ensure the integrity of accounting information. This practitioner states, “Trust is really important because you can’t have all the division of responsibility that you would like to have. Transparency, I think, is a part of trust and integrity, as well.” Like several of the other practitioners, this practitioner oversees a relatively small accounting staff. He continued to explain his views concerning accountability:

> Despite our small operation, although trust is important, it is also important to have those controls in place. We do as much as we can to have accountability and offsets, having the owner do some, making sure that he reviews and signs things to make sure everything is in line. We are audited as well, so, trying to reinforce all of that. And not just take it as a given that we trust. You have the controls in place as well.

As mentioned above, the discussion of trust in business led to another topic closely related to development of trust. The accounting practitioners express an awareness of the benefits internal accounting controls have to enhance trust in an organization. The participants explain the difficulties involved in segregation of duties, an internal control which assigns separate accounting duties to more than one person with accounting responsibilities. Segregation of duties is a theme discussed in the following section.

Theme 2. Segregation of Duties

Internal accounting controls are policies and procedures put in place throughout the organization to ensure reliability in financial reporting. One common control is segregation of duties, which ensures there is oversight to catch mistakes or prevent collusion to hide transactions. Many of the practitioners in the study rely on segregation of duties to the extent possible, but six of the 13 operate with a modest number of accounting staff who sometimes must share duties. When this happens, trust cannot be the only assurance factor in the accounting process, but must be supplemented with managers' checks and reviews of critical accounting processes. These reviews translate into additional time and costs for the accounting function. In this study, seven of the 13 practitioners discussed at length how they balance trust with segregation of duties. Several practitioners offered actual cases to demonstrate the concept of segregation of duties.

One study participant, in discussing why trust is important to his specific manufacturing organization, also talked about the need for segregation of duties. He oversees the controller, who manages most of the small accounting staff. The practitioner explains that in his position, with so few accounting staff members, he not only must put more trust in his staff; in turn, he must be trusted by his managers to a greater extent. He adds, "You typically would want segregation of duties. Like for me, I wear many hats in this financial realm. So, they have placed a lot of trust in me."

Many practitioners encounter ethical dilemmas when duties are shared among employees. A study participant recounted an audit scenario where the organization lacked segregation of duties in the accounting function. This practitioner is the only study participant who describes a paradoxical situation as, "one where, again, trust was so important that it enabled the person to get away with the crimes." In this particular scenario, a new bookkeeper was entrusted with all of the accounting duties. For years, she created two paychecks for each employee. By coincidence, a foreman found his cancelled checks in the office, one with his endorsement signature and one with the bookkeeper's signature. The practitioner described the following fraud:

> Well, she took them to her bank and she deposited them in her savings account. Never made a withdrawal. Never took cash. Always deposited in savings and

never made a withdrawal from savings. She actually had over half a million dollars in a savings account at the bank, most of it coming from her husband's life insurance. Apparently, half of it was her husband's life insurance. She had all that money and yet she was stealing one paycheck from a minimum wage type person. This was the case—she was so trusted—nobody paid any attention to what she was doing. In fact, the owner said, "I think I caught her writing two paychecks to the same employee last week. I was standing behind her and she did not know I was in the office. I saw her write two in a row to the same person." I said, "Why did you do that?" She got all flustered and said, "Oh, I am so sorry," and she just tore it up. In retrospect he thinks he probably caught her and didn't know it. It was almost a case of—it was her hobby. I mean, she wasn't taking big money and she never spent a cent of this money. Not a cent was ever spent. It all went into like her savings account. I think it was more of a hobby to see if she could do it. Again, she was described as the most trustworthy, loyal employee we ever had beyond suspicion. That's the one who gets you. The one beyond suspicion.

Finally, a manager in the agricultural field responded with an inventory control example when asked about the importance of trust in her specific organization. She describes the need for trust that an employee does not give in to pressures to inflate income when his bonus is based on that income:

Inventory is the biggest problem with small companies. Well, I think with any company; inventory is always a problem, because there are always discrepancies. So, trust in the parts manager that he is overseeing his inventory properly, when

> his performance bonus at the end of the year is reflected by his control over the inventory, the amount that he invoices, the dollar amount. So, trusting that he is not going to artificially inflate those things, or, you know, with inventory, . . . making sure the account is done properly. Then, he obviously has a vested interest in it doing well. So, I think just trying to make sure that he doesn't have the ability to falsify those two areas within his department. So, trust is a very large part of it.

All of the study participants agreed that trust is foundational to the accounting function in various respects. However, the practitioners believe trust cannot be the sole source of reliability and verifiability. Segregation of duties enhances a trust relationship. Objectivity is a third theme mentioned by practitioners as a competency that enhances trust in an organization. Study participants expressed concerns for a lack of objectivity particularly in management and managerial decision making.

Theme 3. Objectivity

Objectivity is a qualitative accounting concept that imposes an imperative on professional accountants to be impartial, intellectually honest, and free of conflicts of interest (AICPA, 2015). Rules and regulations within accounting aid in achieving objectivity. Objectivity is routinely described in terms of audit and attest functions. However, the AICPA Code of Conduct specifically associates the concept to other members, including those who serve in financial and management capacities in industry (AICPA, 2015). Five of 13 study participants point to objectivity as a valued competence in their workplace. Of the five, two practitioners are the most senior practitioners in terms of business positions and years of service.

One practitioner, who is treasure of a major organization, spoke about impartiality and conflict of interest in her prior workplace experiences as an auditor. Specifically, she discusses the appropriateness of an audit client that employs a former firm professional. She questions this endeavor, which could influence the quality and effectiveness of the audit:

> The biggest thing that I thought of when I first came across this was, I don't really know if its objectivity, but there are rules when you are in public accounting about going to work for clients. If you're not a manager, and I very frequently saw that violated. A regional accounting firm that works with small banks, banks want to poach the accounting staff. I mean the audit staff, because they know their business. Then the audit firm doesn't want to raise a fuss because, for the same reason the bank doesn't want to prosecute, they'll get a reputation for that. And when you're in the regional firm that does most of the small banks, you are known for that; you don't want to have it in the paper that you got into a fight with the bank accountant because your guy went to work for them. And to me, that was a big, that was a problem. We would ask, "why is this ok?" This guy was the audit manager last year, now he's the Vice President this year. You know there are rules about that and they say, "yes, we looked at that and it was all fine;" what do you do. That was always a big deal to me, because if they went to the trouble to make the objectivity rules, and you can't have a conflict of interest, there's a reason.

Another practitioner discussed a particular scenario that involved many aspects of ethical decision making, such as professional judgement, objectivity, and trust. The practitioner describes a fraudster who came across as “the most trustworthy guy, best friend, and a very good con artist.” Employees had a close personal relationship with the president of the company who over a long period of time embezzled inventory. The accountant, described by the study practitioner, committed a violation of trust in accounting for inventory:

> Ah, I had a situation with a company that we had formed years ago. Where the principal in it, it was a group of investors, the president was embezzling. And that was a situation where he's done that subsequently and he is now on probation for having embezzled a million dollars from another company here in town. So, but, he came across as the most trustworthy guy, best friend, and a very good con artist; but, that was an area where all of us trusted him completely and as a result and because of his position as the president. He was very involved in purchasing and factory relationships. He was very involved in receiving and directing where disbursements went to pay those factories, and not all of the inventory ended up where we thought it was going. Nor did all the payments end up where we thought they were going. So, that was a big violation of trust.
>
> He would insist on overseeing the receiving end. He would bunch it all up, so that we would have multitudes of containers and furniture arriving all at the same moment. And so, it created a chaotic environment for receiving in. He was overseeing that, and so out of a huge number of containers, one or two would be diverted, which he had sold elsewhere. And it wasn't for probably, for at least a year, we realized what was happening. So, but yeah, he was just too involved and everyone trusted him completely. He was such a good guy and boy isn't he

> looking out for us. There was a reason he was putting in so many hours and that was because he was selling the stuff out the back door.
>
> I was the CFO and with the owners, the key ownership group, he would say, oh (Practitioner) is getting in my way. I've got to get these containers emptied. He's wanting to check things. I don't have time to mess with him. Keep him out of my hair. I'll get it done. Well, he got it done. So, yeah, not a good time. That was around 2000. Needless to say that company didn't survive. It had big family repercussions. Certainly, the investors were hurt. Certainly, customers were hurt, the management team was hurt. Pretty much any stakeholders you could think of were impacted by it.

Another study participant, the president of a multi-billion dollar financial services organization, identified objectivity as "one of the major things facing the accounting profession today." He describes an example of an accounting firm, which contemporaneously performs audit and non-audit services for a client:

> So usually, from my experience, if you will follow the money, you'll follow the ethical dilemma. Because if there is no money involved, people make great decisions. If there is no recourse, and it doesn't affect their paycheck, they'll make great decisions. That is one of the things I love about (Practitioner's Company), and with the environment. One of the first things they taught us in the management program, was that you can do the right thing and not suffer for it.

All of the study participants discussed trust as exceedingly important to the accounting function in organizations. They agreed trust is vital in ethical accounting decisions, and each participant offered viewpoints based on their unique positions within distinct industries. The following Table 6 describes emergent themes developed from interview data. The themes are effective oversight, segregation of duties and objectivity. Practitioners described experiences within their careers to support their perspectives. Finally, the table provides information regarding convergence of themes.

Table 6

Classification 1. Trust in Complex Economic Systems

Themes	Description	Practitioner Identifier	Theme Convergence (Divergence)
1. Effective Oversight		Financial Information Employee engagement Following rules & regulations Long-distance management Stakeholders Verbal agreements Protect employees' livelihood Comfort level (Duties)	12 of 13 practitioners agree
2. Segregation of Duties		Small companies with few employees Blind trust Inventory controls	7 of 13 practitioners agree
3. Objectivity		Audit/Non-audit services Audit client hires professional Friendship relationships	5 of 13 practitioners agree

Classification 2. Ethical Decision-Making Qualities

The study participants identified competencies, which describe decision-making qualities in business. The competencies center around discussion of professionalism in creating an environment of trusting relationships. Study participants agreed on three emerging themes, which include (a) Professional Manner, (b) Professional Judgment, and (c) Pursuit of Excellence.

The participants were asked to discuss ethical competencies that could have prevented or lessened a trust violation in their workplace. The participants in this study expressed their opinions concerning competencies, or qualities, pertinent to professionalism in decision making. While several practitioners authoritatively discussed the benefits of a professional culture they experience in their current organization, most everyone had prior experiences in their careers where they encountered unprincipled individuals. Those prior experiences were also discussed.

Six of the 13 practitioners described a general culture whereby employees considered themselves a part of a team or family within the organization. One practitioner said, “So we've got a small number of people, separation of duties, and the large number of dollars. If you don't have some level of trust in management integrity, it wouldn't work. So, why we basically; we have to be family, otherwise it just wouldn't work.” Several practitioners concurred one indicator of a professional culture is low employee turnover in the accounting function.

Another practitioner, who serves as controller in the largest company represented in the study, commented on the low turnover in his organization:

> Our company is probably unique. If you look around, I've got 20 years, but that is not uncommon. Our assistant controller has 24 years. We have one accounting manager, who, I guess she started when she was 20; she has 28 years. We have a rookie who's been here a year. But everybody else has probably been here seven plus years, at least. Another accounting manager has 19 years. I got an email this morning. They are celebrating; our purchasing manager has got 40 years. It is just, you have a lot a people with a very long tenure here, which speaks to the environment and culture that people want to be a part of this. That just doesn't happen.

The aforementioned examples demonstrate a culture where employees are comfortable in their environment and feel a part of the team. They also associate a professional culture with an ethical accounting competency described as tone at top. This competency will be discussed later. However, most study participants agreed, trust begins with professionalism in the highest ranks of the organization. The practitioners discussed several related aspects of professionalism: (a) Professional manner, (b) Professional judgment, and (c) Pursuit of excellence.

Theme 4. Professional Manner

Five of 13 practitioners discussed their perceptions concerning professional manner. High-level professional manner strengthens business relationships and results in productive business decision making. Professional manner is a standard in the workplace that involves fairness, honesty and integrity. One of the study participants described professional manner stating: "You've got to treat people the way you want to be treated."

Another practitioner discussed an issue she describes as unprofessional and does little to perpetuate integrity of the audit function. In her prior work experience, the practitioner encountered a situation, which she calls “disheartening.” It concerns the unprofessional manner in which banks ignore audit exceptions, relinquishing their opportunity to stop or prevent unethical activity.   She voiced her opinion:

> And the other thing, again, was the refusal to prosecute people, which is completely at the clients’ discretion. It is disheartening to people, not only to auditors, but to fraud forensic accountants to do the work, and it never come to fruition. I don't know if you've ever been in public accounting, but the most frustrating thing is to go back every year and see people ignore your recommendations to make their company better. You know they are not required to, but it is frustrating to see that. And it's even worse to see that people have stolen and gotten away with it. So you really have no value.

Another practitioner, who works in a closely held corporation in the education industry, describes questionable actions on the part of one of the company’s majority owners. This study participant has worked with a majority owner whose professional manner is uniformly questionable when it involves the owner’s personal salary, benefits, and reimbursable expenses. She described one situation as, “The owner had the bookkeeper to take her credit card bills and net them against her paycheck. Anyway, she wasn’t paying taxes on the amount of the credit card bills. And this had been going on for years.” The practitioner further noted, “She has made my job very colorful. She doesn’t understand, we are highly regulated by the department of education. And due to not understanding the regulations, she is always wanting to push them.” The practitioner said, “Up until this last year, she was allowed to turn in expense reports for, and our auditors were aware, and gave warnings, for travel she didn’t do, for gas receipts she didn’t have.” Because the owner constantly attempts to manipulate the system, the practitioner has given the financial statement preparation function to the auditors and she has taken on additional regulatory duties. The practitioner feels some relief from the damaging situation because other owners of the business and the auditing firm are willing to take on the responsibility of overseeing the unprofessional owner and her unethical business choices. The practitioner describes the situation:

> She doesn’t, like I said, her moral compass is not, is just not where it should be. I don’t know what to say about that. I just wish, it’s not a regret. I guess, it’s shaped me, shaped my career, my character, or whatever. It’s kept me busy.

Another practitioner gave an example of the unprofessional manner in which an employee attempted to covertly push through a proposed change in one of the company’s priority accounting processes. This organization is a national agricultural manufacturing and distributing company. The practitioner first commented on the “entrepreneurial spirit” of the company, which works with over 400 branches across the nation. The branches are “in charge of their destiny, their compensation,” according to the practitioner. Consequently, these branch managers hire operations experts from time to time to help with inefficiencies in operations. The practitioner explains the background circumstances and provides the following example:

> One of our business units hired a guy, former (Company Name), a guy who is a Six Sigma black belt—that is what he does. He just comes in and tries to make things more efficient. And, our fertilizer business is large; it’s huge, and keeps

continuing to grow, and the number of invoices we touch grows, and the number of PO's we touch grows. So, his focus was trying to streamline this process. He wanted to do what he called "block purchasing." So, we get one invoice and we will pay for it, but we will pull the product throughout a short window, maybe within a month. Then, you have to clean up what you—if you pulled a little too much or didn't pull all of it, you have to clean that up. He calls those "tails." In theory, that is supposed to make things more streamlined. The concern that I had with that was, ok, you are doing a PO and you have physical ownership of that product; you don't have physical control of that product. But, you are doing a receipt, you have increased our inventory, you have paid this guy. And, now do we have a document that describes who owns that product and when that transfers? Our process is when the order arrives at the location, they will inspect it, make sure that we got the quantity that we ordered, we will do a PO receipt at the agreed upon price, and our inventory is debited for that amount and we have recognized an accrued purchase. We recognize that liability. So, in this instance, we get an invoice. We do not have physical control of that inventory. We do a PO receipt for this block amount. And we have a 3-way match within accounts payable, with the PO, the invoice, and the receipt. So, all three of those are met. We cut a check and we have paid it, yet, we do not have physical control over that asset.

[Researcher's Note: "Block Purchasing" allows for completing a receipt even though the product has not actually been received. Therefore, the company may pay for inventory that it does not actually have. It requires a periodic reconciliation to clear discrepancies.]

This practitioner is concerned, as he mentioned, with not having physical control over an asset the company has paid for. He questions the legitimacy of the process and desires to inform other members of the team, to get their consent before putting the new process into place. The practitioner wants the general council, chief financial officer, and accounting manager to give their permission, which the operations manager guarantees has taken place. However, when it is investigated, none of the executives had given their approval. The practitioner summarized his feelings, commenting:

> I had made it crystal clear that this was an important topic to me and was something I was not just going to say, "Go ahead and do whatever you want to." We have had situations where companies have gone bankrupt. Especially, in the fertilizer market; it is a volatile industry. It is a commodity, it rises and falls, and a lot of people can get in trouble that way, especially if they have bet the wrong way. So, it is worth doing the due diligence on, but his goal of getting his initiative pushed through outweighed any kind of professional skepticism on his part. So, whether that was an intentional lie or whether it was him being misinformed, it was still very much a violation of trust. From then on, the consequences of that is I have to watch everything he does, because if I do not, he may build great inefficiencies within the organization, but if he's willing to mislead me, I've got to question everything he does. If he'd used better professional judgment, we wouldn't have this issue. If he had professional skepticism, we wouldn't have this issue. He is the one who broke the trust.

Finally, study participants addressed an additional issue within the scope of professional judgment pertaining to managing accounting errors. Accounting errors are “the result of mathematical mistakes, mistakes in the application of Generally Accepted Accounting Principles (GAAP), or the oversight or misuse of facts that existed when the financial statements were prepared” (Wahlen, Jones, & Pagach, 2015, p. 22-3). Specific accounting standards address the need to highlight and correct accounting errors in certain situations. For example, an accounting error may result in restatement of prior years’ financial statements and a disclosure note in the report. Participants in this study showed concern from a manager’s perspective of how to oversee and guide accounting staff who make errors, but are hesitant to report the errors and seek assistance.

Five of 13 practitioners offered lengthy discussions and explanations concerning professional manner in the treatment of accounting staff, particularly when the accountant misunderstands a specific accounting methodology or records accounting transactions in error. As one practitioner noted, “no one knows all of the answers.” Accounting mistakes are inevitable, can be costly and may impact many stakeholders. Several of the practitioners feel recent graduates should be encouraged to be inquisitive when they don’t fully understand an accounting transaction and, as one study participant suggests, “find that right balance of being able to question the management team.” She continues:

> And one of the things that I use sometimes when I’m working on training folks is to encourage them, that if it doesn’t make sense to them, whatever information we’ve got in front of them, if it doesn’t make sense, there’s probably one of two answers. Either it’s wrong, and that’s why it doesn’t make sense; it’s not right. Or, they just don’t understand. And too often I think the younger ones will just assume that they don’t understand. And they don’t want to bother the managers to get more information. And so, I encourage them, at least when they are dealing

> with me, to make sure that they always come back to me if it doesn't make sense. I think that, that serves two purposes; one is that if it really was wrong, typically the managers are going to be glad, right? To know exactly what was wrong. And if it is that it just didn't make sense to you, you've got to keep building your knowledge, or you are never going to be able to pick out where there is some kind of accounting discrepancy. So, if I just said to you, "it didn't make sense," you shouldn't just walk off. Right? Now, I love to tell people everything that I know, right, so it may be different working with you than somebody else that isn't as willing; and so, I think kind of the important things that I think for the student from that perspective is to find that right balance of being able to question the management team. I think as I have kind of moved through different positions, and progressed, that curiosity is making me ask that question. It is a big part of why I've been successful. So maybe helping them understand that it is not just about making sure it is right, but every time you ask the question you get more information. You just made yourself more valuable. And I think the management teams are also more open. The same action from the accountant that will help you ferret out a mistake, in a lot of cases, would ferret out fraudulent activity.

One practitioner, who discussed several ethical decisions she faced in public accounting early in her career, describes one way to handle accounting errors. She believes when accounting errors are made, her accounting staff are apprehensive about bringing it forward. However, errors should not be hidden. Rather, errors should be corrected and financial statements should be restated. The practitioner views the mistake as an opportunity to build a trusting relationship, saying "Just having that relationship, where they can come to you and they want to do the right thing." She explains further:

> That is something I have learned as a manager. When people make mistakes, don't berate them for it, don't make them feel stupid. Just tell them, "Everybody makes mistakes. We can fix it. Thank you for telling me. We can fix it; it is not a big deal." Mistakes happen. Sometimes, when they feel really bad about something and they are really upset, I will tell them, "Well here, listen about a mistake I made," and I will tell them about a something I did. I think that makes them feel better. And sometimes in my position, I mean, I oversee all of the accounting functions; no one oversees me from an accounting standpoint. So, if there is a mistake that I made, I am the one who catches it. So only I know about it. Whereas, I catch other peoples' mistakes and have to point it out to them, and so, they get mad at me for pointing it out. That's not at all what I am trying to do. So, just never berate them, never make somebody feel like they are doing a bad job.

Another practitioner has similar feelings about how to handle accounting mistakes. He initially talked at length about an old culture that was in place before his 11-year tenure. He said, "It was a very rigid, very strong style management team, making it hard to, and this was before my time, by the way. It was making it hard for people to communicate, get along with and work. It was just an unsettling environment." About mistakes made in accounting, he said:

> I try to instill that in people who work for me, if you make a mistake, "Ok, that is fine. Make the entry, whatever. Let's move on. How can we, can we prevent it?

> That is all I want to know. It's $300,000. Ok, that's fine, how can we prevent it? I don't care about the money. That is already done and gone. How can we prevent this from happening?" That is kind of the focus that I try and do, so that we can avoid any dilemmas here. As long as my folks can see me jump up and say, "Hey, I made this mistake. This should have been me, or whatever the case is." They know they can turn around and do the same. You know, I am not afraid of that. I am not scared of that. It is what we do. It is what we need to do. We need to be able to take care of our folks.

Several participants in this study view the practice of exercising professional manner as an important quality in ethical accounting decision making. As managers, they seem attuned to a positive focus of employee growth and success, promoting employee development, trust building and value-added knowledge and skills. The practitioners' experiences with unprofessional practices give them insight into a more principled approach to management.

Closely related to professional manner is professional judgment in accounting decision making. Professional judgment is made when all relevant information has been collected and analyzed. In the realm of accounting, professional judgment relies on guidelines such as generally accepted accounting principles, auditing standards, and tax laws and regulations. Professional judgment in decision making encompasses objectivity, credibility, and integrity.

Theme 5. Professional Judgment

Eight of 13 participants noted the importance of professional judgment when making accounting decisions. Professional judgment in accounting encompasses a variety of decision-making scenarios, such as selecting a proper accounting treatment, deciding on materiality, or making the most appropriate accounting estimate. Professional judgment involves a degree of uncertainty and, therefore, subjectivity that should not be influenced by undue pressures or conflicts of interest. Further, professional judgment requires that an appropriate due process be undertaken with documentation of all findings.

One study participant, whose background is accounting and systems, noted an example of one of her peers making a professional judgment in budgeting operations without revealing due process and documentation. She continues:

> I'd been doing this, running around to different companies in the United States for a period of time. And then I got a controllership for a consumer financial services company in Minneapolis. And then the spot that was one level up in St. Louis, I got it, not because I was better than all the others in accounting, but it had an IT dimension to it, and I was the only kid on the block that had that on my resume. There was a major project going on, where outside consultants, Arthur Anderson, were engaged. The whole thing was a consulting assignment and they were merging a whole bunch of systems and it was being done in Wisconsin. Ok, so I asked the IT director for a report on the project cost and how much to continue. He said, "Well, we've spent a $1 and the budget is $100. So, everything is fine." I said, "No, that is not the way you do that. What you do is you say, how many little programs do I have to build to get to the end result and what will all of that cost? And then you come up with a new number." So, after I had been there, in fact, only three months, I got to say to headquarters, "Remember, that million-

> dollar project, wrong-3 million. And then a month later, remember that 3 million-dollar project, 7 million." So, it wasn't that anyone was trying, it just hadn't occurred to them to go through the right steps. So, sometimes trust gets mixed up with the ability to judge the approach that someone may take to a certain task.

Another practitioner discussed a unique workplace experience where he felt as though trust was violated. This practitioner was manager over the payroll function in a large national organization. He described what he called "a little bit of lapse in judgment," when his payroll administrator commented on the amount of salary another individual was being paid. He described the situation as follows:

> A lady worked for me and she was in charge and kind of handling the payroll. I mean, not in charge, but she got to handle and see all of the different things. She was handling the process for it. So, obviously she would see everyone's pay. I never really had an issue with her over anything and she was smart about keeping that to herself and not having any issue. One day, one time, she came to me over someone who was making more money than she was. That did not go over well. I told her that she violated that trust. That was very clear. I had to set her straight real quick. I said, "you see this information, you know this information, you have always done well with this information. But, you can't do that." I had to take a very hard line with her. Now, I mean that is a line that you have just crossed. In this industry and in accounting, you see things and you say, "Yep, that is a lot more than I make, but, Ok, I understand. I get it." It can't be about the money. Some things are hard to stomach, but sit there and smile. That is life, that's reality. We can't do anything about it. As soon as you start violating that trust.

> That was tough to get over. She knew she had crossed the line as soon as she had said it. Was it really unethical? Yeah, it was for her to say that or do that. It wasn't, I wouldn't say it was malicious.

Another practitioner gave an example of a positive experience with her supervisor, a partner in the firm. In this case, the partner was honest about his intentions and did not give in to the client's wishes to defraud the tax authorities. The study participant described the action of this partner as one that set a commendable example for the employees in his firm. Her account explains the situation:

> Another partner, that I worked with had a client who wanted to shift some losses that he incurred in January to December, so he could file a net operating loss, carry it back, and recoup some tax dollars. Well, that partner at the time said, "I'm sorry, but I just don't feel comfortable doing that." You are going to have to go to another CPA. So, he did. The guy went to another CPA and got audited. He lost all of that, and he came back to us. So, in that situation, the partner did do the right thing, in my opinion, and it paid off. As it typically does. And you know he wasn't a small client; he certainly wasn't the biggest. Either way, it doesn't matter. You should always do the right thing regardless of, you know, whether you are going to lose a $100 return or a $100,000 return. But he was a pretty good source of revenue for the firm, so for the partner to say, "Sorry, I just can't do that." It took a lot of leadership.

In addition, another study participant described unprofessional judgment exhibited by her supervisor who "always tries to get money in ways that are other than distributions." As the practitioner indicates, her supervisor attempts to avoid paying federal income taxes by conducting research over a period of time and submitting a report to the board in order to be paid. The practitioner explains the situation:

> She turns in a report that shows all this work that she's done over a three years and she wants to be paid for it. And she would hound them and hound them and hound them. And so, I think it was 2013, she was paid $42,000 in wages. She was paid that and we ran it through payroll and there was documentation and all that. Well then, the following year, she got in trouble with the Social Security Administration because she made too much, due to those wages, to receive Social Security. And so, she then came to the board and said it was their fault. She was the one who should have been monitoring her social security, but she then tried to, she was successful at coercing them into, somehow letting, she owed $16,000 back to the social security administration, letting them somehow get this money back out of the corporation. She just has always, she attempts to circumvent regulations, laws, rules, etc.

[Researcher's Note: The practitioner is explaining a situation whereby excessive wages, earned while collecting social security benefits, can result in returning social security benefits (wages) to the federal government.]

The study participants who commented on professional judgment in accounting decisions sited three examples of unprofessional judgment. In these cases, individuals did not incorporate ethics into the decision-making process. Alternatively, one study participant offered a second example of a situation in which she experienced a principled judgment call guided by accounting standards and federal laws and regulations. She felt as though this partner in her firm exhibited leadership skills which positively impacted the members of her firm.

Theme 6. Pursuit of Excellence

Data drawn from eight of 13 participants identified a final theme of ethical decision-making qualities, pursuit of excellence. This theme, discussed by the study practitioners, comprises a broad economic and societal responsibility toward public interest. The use of this theme in the study links to a Pathways Commission broad management competency under the heading of Organizational Ethics and Social Responsibility, and refers to “appropriate ethical behaviors and acts of social responsibility in different cultural contexts” (Pathways Commission, 2015, p. 20). In many cases, this theme extends beyond the accounting standards and regulatory requirements into voluntary activities for environmental stewardship, health and safety, and community partnerships.

Six of 13 participants in this study work in the fields of agriculture and manufacturing. Three of the companies represented by those participants manufacture pharmaceuticals, chemicals and fertilizers. These types of industries are heavily regulated by various state and federal compliance agencies. Concerns for the society and environment are paramount to the study participants who are employed in these industries. One practitioner describes his operations and the organization’s ethical responsibilities to society as follows:

> I guess within the accounting function I look at societal responsibility as somewhat maybe a smaller circle than for the corporation as a whole. Certainly from an accounting standpoint, we are looking out for the shareholders. Treating

them with integrity in terms of the customers and suppliers and the employees and others that are relying on us. So I think the group is a little smaller in accounting specifically.

Corporately, certainly in terms of compliance and concern for the environment, is certainly important at the corporate level and certainly here we strive to have a good footprint. And uh, we're also in a highly regulated environment with the FDA and the EPA. With the products that we make, I guess not just following the letter of the law, but the spirit and being concerned about the community that we're in.

As an FDA regulated manufacturer, we're, the FDA can show up at any time. And they do come every two years to audit all of our practices. And that covers, not the financial side, but it covers all the manufacturing to ensure that we are completely in compliance with respect to the quality of our products—the manufacturing processes, the training of our people, the testing, the batch numbers, and the reconciliation of production. Complete traceability of lot numbers, the ability to do a recall, if that was ever required. To know where every product went, and where every component in it came from. Validating suppliers, it's a big aspect. We do water testing, water runoff testing with the Mississippi EPA. They, we have a permit with them and send them test results every six months. If there is any scrap, we pay companies a ton of money to take it off and properly dispose of it. We have all of those manifest, so if they come up in an audit, when we're looking at batches and there's a shortage, we say no, here's the manifest where it was disposed of. Everything is dated, so if a certain product has reached expiring, we have to dispose of that. That would be the biggest area, and that's not only in our finished goods but all of our raw materials are dated as well. So, if something sits too long, it's got to be disposed of. Occasionally, fortunately it only seldom happens, something goes wrong with the blend, and a blend has to be disposed of. That's never a good thing.

Another practitioner who works in the agricultural industry talked about several issues of responsibility that his organization embraces. He discusses ethical issues concerning environmental cleanup in his industry. Procedures designed to protect the environment can also keep the employee safe. His perspectives follow:

> You have got to work on the fundamentals and that’s keeping your employees safe. Don’t take shortcuts, of loading a truck up with too much weight, just because you want to cut a trip out. That just eventually comes back and bites you. Don’t rinse your sprayer out in the ditch, don’t take a shortcut there. Do the proper thing, you know, cleaning of that tank the way it is supposed to be done. So, there are definitely things--we have an entire department that is dedicated to safety, health, and environment. You have—that should be everybody’s number one. If it is not, it will hurt profits. It will hurt profits, so that has to be a focus and it is the right thing to do.

A study participant who has prior experiences in manufacturing discussed her exposure to manufacturing procedures needed to protect citizens and the environment. She stresses the desire on everyone’s part to “do the right thing:”

> I guess I did have some environmental exposure when I was at the manufacturing company. It was really treated the same way as health and safety in that we kind

of managed it. There were some chemicals involved and proper disposal. The one example I can think of, that a particular facility had a septic tank. If you have ever had one, you have to have someone come and pump it out periodically. I get to work and I see the septic truck go back to the back of the lot. I remember thinking, I am wondering why he went that way. It is kind of a long way. Then people start telling me a story about how we had a rail car spill vegetable oil and they are trying to get it out before it seeps into the ground water. This is a good idea because we are right on the river. I am like that's ok because I want to stay out of their way. Then all of a sudden I say, "Hold on a minute, please tell me that's not why the septic guy is here." They were going to have the septic guy pump out the ditch and take the oil to the city sewer. Again, nobody was trying to do anything wrong. They're just, like that sounds reasonable. At first, hold on a second. I am not really thinking about that, that is a bad thing for the city sewer because I don't really know environmental. But I am thinking, wait; I know we can sell oil that has been on the ground to feed suppliers. We do that all the time. That is a by-product channel. But I don't think they are going to want it if you put it in the septic tank. So, I go running out there. Stop, stop everything. By the time I got out there, somebody else has gotten wind that they were trying to take it to the city sewer. It all started out right. Everybody said we got to act fast because we can't let this get into the ground. And we did successfully solve that. From that point it went kind of amuck. It was an example of once everyone got their heads together, there was no discussion about not doing the right thing. It

> turned out to be the best cost thing to sell it as a by-product. We would have had to pay the city a gazillion dollars had we dumped that into the sewer.

Health and safety of employees is of concern to those companies who pursue a status of excellence. One study participant related an account concerning the seriousness of employee safety in the workplace. She describes an accident on the job and she conveys the employees' reaction to a close call for two workers. She related the following report:

> We actually had one of our grain silos, we had a serious accident six months ago, where two of our workers fell into the grain. It is really dangerous because it is kind of like quicksand. We got them out and they are fine. It was just a shutdown of everything to get anybody over there that could do anything. As soon as they got them out, it was pretty apparent they were fine. They were pretty shaken up because it was really scary. We didn't listen to the paramedics. Before they even got them out, they had the helicopters ready to airlift them to the hospital. This company is pretty good about that. So, it was we are not going to get them out and see how they are doing. I don't care what they look like when we get them out, they are going straight over to be checked out. The helicopter, don't pass go, don't do anything. It was neat. They do a lot of cool stuff like that.

Finally, four practitioners discussed the benefits of community partnerships to their organizations. The study participants talked about philanthropic activities of their organizations as a way to enhance trust between community partners and the organization. They feel as though they are giving back to the community for the opportunities of doing business in that community. One study participant talked about the community of Memphis and the ways her organization supports the citizens in need. She describes her organization's involvement as follows:

> We do like to think that we give back to our community. We like to be involved in our community. We have been very active in giving inner-city youth trial jobs in the summers. To get some exposure to different lifestyles, to different working environments, to jobs in general. We also do a lot with the charities in town. Offering them discounts and things for their events where they trying to do fundraisers and things like that. We do a lot of work with Saint Jude. We also do a lot of work with other companies especially in Memphis, because Memphis can get such a bad rap. Memphis has its own problems; I can't gloss over that. But there's a big push in Memphis to spend your money in Memphis. We try to buy our office supplies, our fuel and things like that, that we can get here locally in source locally. We try to source as much locally as we can. We are actually involved in an organization called the inner-city, it is the ICIC. It's about the inner-city and promoting the inner-city and trying to make those great again. Part of their look at your company to see if you can become a member for their list is are you in the inner-city? We actually are in the inner-city. Our bosses' address puts him in the inner-city. I think 20 to 25% of our employees come from the inner-city. So we feel like we are giving back to our community. We are employing people here in Memphis.

Professional manner, professional judgment, and pursuit of excellence are ethical competencies which comprise the study classification entitled Ethical Decision-Making

Qualities. Discourse concerning the foundational aspects of trust needed in their ethical accounting environment typically led to participant's examples of precisely how their organizations operate in an honorable, upright manner. Consequently, most of the study participants were very complementary of the professionalism exhibited by their company's management. Participants were eager to share the favorable and supportive culture practiced by managers in the highest levels of the organizations. Table 7 provides a summary of participants' perspectives concerning themes of ethical decision-making qualities found in their organizations. Practitioner identifiers describe the issues and behaviors discussed by study participants.

Table 7

Classification 2. Ethical Decision-making Qualities

Themes	Description	Practitioner Identifier	Theme Convergence (Divergence)
4. Professional Manner	Standard in the workplace involving fairness, honesty and integrity.	Ignoring recommendations Uniformly unprofessional Covert process changes Accounting errors Skepticism in new professionals Treatment of employees	5 of 13 practitioners agree
5. Professional Judgment	A decision-making process conducted in a professionally skeptical manner.	Budget decisions Segregation of duties in payroll Tax planning mistakes (Favorable & Unfavorable) Payroll tax avoidance	8 of 13 practitioners agree

Table 7 (Continued)

6. Pursuit of Excellence	Broad economic and societal responsibilities such as social, health and environmental competencies, safety and community partnerships.	Environmental protection Environmental cleanup Employee safety Community trust & involvement	8 of 13 practitioners agree

Classification 3. Ethical Accounting Competencies

Study participants were asked to describe the most important accounting competencies they encounter for ethical accounting decision making. Practitioners responded to the question by reviewing the listing of competencies and choosing competencies deemed important in their organization. Participants were urged to add other competencies they viewed significant to their experiences. In many cases, the practitioners discussed actual experiences to demonstrate how the ethical accounting competency applies to specific decision making.

Practitioners in this study discussed three primary competencies encountered in managing ethical decisions in their workplaces. Those applicable competencies are (a) Tone at the Top, (b) Technical Competence, and (c) Professional Skepticism. In several cases, the study participants described an irreproachable management team governing their organizations. They also believe high-level technical competence is imperative in any ethical accounting environment, as well as the ability to discern and act on questionable transactions and situations.

As one practitioner noted, ethical decisions can be a daily incident. The practitioner's viewpoint examines the stakeholders involved in ethical decision making. In this case, the primary stakeholder is the steady employee. The question he asks himself concerns employee development and value to the organization. Other stakeholders are the practitioner, the other employee, and the organization. He gives an example of how a manager might operationalize a specific principled decision concerning employee development:

> When you are closing the financials, should I book this, should I not book that, what is the right thing to do? Those are just daily things you are faced with. I guess (this is probably a general management decision), you have some people who are your steadies, they just plod away. Then you have superstars, they are just rock stars. You may get a project that comes down the pike. You know if I give it to the rock star, it is going to get done, it is going to get done correctly. But is that the ethically right thing to do. Because, why penalize, if you want to call it that, why do I burden this person with the project because they are so good? But also, if I am not developing this person who is a plodder, or steady, then I am not being fair to that individual either. So, you have an ethical decision. Where do I go with this project? I guess you could call that an ethical decision.

Ethical decision making is a pivotal element of accounting practice. The practitioners in this study identified three competencies considered most suited to the production of useful and relevant accounting knowledge to a diverse body of stakeholders. An ethical culture promoted by management has prominence in a successful organization.

Theme 7. Tone at the Top

All of the study participants were in agreement that the ethical accounting competency, tone at the top, is most pertinent to decision making in particular circumstances. Tone at the top is an accounting competency used to describe an organization's general ethical climate set by owners, chief executive officers and other members of top management. Attitudes and character of the owner trickles down to all members of the organization. Practitioners expressed their perspectives regarding the diverse approaches in which upper management in their organizations prescribe an ethical climate. One practitioner explained his perception of tone at the top in his organization, stating:

> I think our tone at the top is definitely "do the right the thing." Focus on, and whenever you do have an issue, find out what that problem is and correct it; and above all, be safe. So, it is an excellent tone at the top. Also, the tone at the top is very "I am going to let you manage your business." I think that breathes through the organization. Like I said, that gives us that entrepreneurial spirit that a lot of companies don't have. But, the tone at the top is critical. Both the president and CEO and our CFO are incredibly approachable and those two also have a lot of experience with company. Both of them have in excess of twenty-five years. But, yeah, there's always, you can always have open discussions with them. Their tone, with their approachability and being able to discuss anything with them, keeps people from hiding things they are concerned about, which is important.

Another practitioner places responsibility of fraudulent activity with top management. He suggests one approach in achieving an ethical culture within an organization can be through a robust compensation structure to obtain highly qualified individuals. Of tone at the top, the practitioner states

> I think that is hugely important because every time there's a huge fraud or there is an issue like that, there [*sic]* is usually one of two things. Either there is unethical behavior from the people at the top of the corporation, or the lack of control. They don't care. They don't have control of the employees. For us we have extreme controls in place here because we have five people that handle billions of dollars. So we have to. And the first thing that we do is, if you make it darn near impossible for them to steal, they're not going to go to the trouble. And another thing I think this company is pretty smart about. One of the things that you decide is that a lot of these ethical issues come up from compensation. And you'll find that a lot of that comes from you're never going to be able to compensate for people who can't live within their means. They just have that slant to them that they want more than what they have. They can't be content. One of the things that companies do to harm themselves is high turnover rate. People that aren't competent for the position that they are in. Management that isn't competent. What you can do to avoid that is through your compensation structure. If you tend, if you will pay more, you tend to get a higher level person who is more competent. They will stay longer. And both those things are headed in the right direction. Versus trying to be cheap and not pay as much and have high turnover. That's when you have problems. It's one of the things we have here, low turnover.

Two study participants discussed a challenging culture set by their owners and partners who adhere to a rigid, unaccommodating system in contrast to a more broad-minded, objective environment. One participant explains the challenge:

> One thing I felt that was never stressed in my education was the whole tone at the top. And that's generally in business not just in accounting, but it is particularly applicable at accounting firms where you feel like rules are rigid and everybody would do the same work and it would turn out the same way, but that is not necessarily true. And in public accounting firms, if you know like ours, where you had sort of a dictatorial managing partner. Now, I believe he has a lot of integrity and he was very good at his job, but he was still very, you know, like a dictator. That's different than one where, you know, firms have, even with a managing partner, lots of partners that are a kind of a committee and you expect fair and balanced debate on things. And then coming here after that, where, you know, our president is completely the opposite of that. And realizing that his, it was sort of a microcosm, you will see how his integrity makes me want to be better. And it makes me want to never make him have to question me, because he has that level of integrity. So that's very important, I think. Not just in accounting, but any setting you are going to be in.

The second participant relates her experience dealing with customary change in complex accounting and auditing standards that require additional process time. She considers the goal of the partners, which is profit oriented, and that of the employee, to present timely and accurate information. She discusses a rigid tone as follows:

Tone at the Top was a big issue at the CPA firm that I worked for because we had a lot of staff and senior accountants, who really wanted, you know, we had to do continuing education. And accounting standards are constantly changing and being revised, and so, especially with audit and assurance with generally accepted auditing standards. You know, there're different procedures to apply and different checklists. It can be very cumbersome. But, it is still necessary for quality control to make sure things are done right and, that the rules are followed. The tone at the top, the partners, were a lot older and had the attitude, "this is how we have always done it, and so this is how we are going to do it." And so, when they have that attitude, when the upper level says that is what we have always done so this is how we are going to do it and the lower level says "but, this is what you are supposed to do." It is like, why am I going to waste my time doing what I am supposed to do if you are telling me you don't want me to do it. It really is hard because they are the ones that make the ultimate decision and when you are doing all of these standards that are required, but they consider unnecessary. So, then they are coming down on you, saying "why did you spend so much time doing this?" So, it was really challenging to get the difference.

I don't feel like they were unethical. I think they just really had an attitude of "well this is how we've always done it and so this is how we are going to keep doing it." I guess, in a way, it is a little unethical. I think ethics is probably one of the biggest areas, one of most important parts of accounting—using your judgment, knowing the rules and following them. Being a small company, the owners have a different objective. They want the company to be extremely

> profitable, but not pay any taxes. I am not sure how that works. But that is how it is, you know. I feel like I am always the bearer of bad news.

Another study participant describes her organization's ethical climate and its development as the business has grown. Through her experience, she relates the benefits of an open-door policy:

> I think as a company, as a leader, as a manager, you always want to make sure that you are taking care of your employees, the environment, your company, and the company's equipment. To me, when I think about things like health and safety and what have it, it's not just taking care of people it's about taking care of the equipment as well. And that is an ethical responsibility, a moral responsibility. It is an integrity issue. You are being entrusted to take care of something and to work with something.
>
> We are a smaller company, granted we have 185 employees to date. Not so long ago we only had 36 and it was a very small mom and pop company. We didn't have a lot of formal processes, a lot of formal procedures. In the last five years our revenues have grown rather rapidly. Our staff has grown rather rapidly. We've got problems today that we never knew we were going to have eight years ago. And some of the things that we have had to learn is that we now have to encourage people to come talk to management because they feel so far removed from us. Where it used to be that you sit down at the end of the day and everybody would sit down, this predates me, but they used to all sit down on Friday evenings, crack open a beer on the back of the truck and sit around and talk. We don't do that anymore; you can't do that. So as you've grown, and you've

> gotten further from your people, their willingness to talk and tell you what problems may be out there. They are not quite as open as they used to be. Even our handbook talks about it. If there's something wrong, something unsafe you need to come tell somebody. I had one of my staff sitting in here this afternoon. He said, "I need to talk to you." I said, "Ok, talk to me. Well there's some stuff going on, and I'm like, yeah. Well I don't know if I need to tell you or not." I said, "well let's break it down. Is anybody being unsafe? "No". I said, "is there a moral or ethical issue?" "No. I just don't think they like what is going on." "Well then, I can't do anything, if they're not willing to talk to me or somebody else." But that was my first question. Is it safe? Is there a moral or ethical issue?

Another practitioner demonstrates how policy enforcement is a positive way to set the tone and culture of what is expected in an organization, but is not always carried out. He uses a company's work schedule policy as an example:

> Even right down to the thing, something as basic as if our policy is everybody has to be at work at 8 o'clock, and people show up about 8:10, 8:15, 8:20, and upper management never says a thing about it. Even though there's a policy that says you're supposed to be here at eight. They don't enforce that policy. They seem indifferent to it. They are setting the tone; they're sending the message that's not really our policy. It's written down, but it's not really our policy. So I think the tone, it always starts from the top. And if the organization emphasizes we're going to do things the right way, we're going to be ethical, we're going to follow the laws, there's no exceptions in our, you know that's part of our creed or our bylaws. That filters down. But I do feel that the top people, you are talking about

that guy, well if it was ok for him to do it, and it was a little on the shady side, I guess it's ok. Because he didn't get in trouble for it. So it's kind of infectious, I guess. As far as at the top. You lead by example. Something as simple as coming to work on time. That's not really so much the ethical, but you know really, it is, because if you are being paid to work from 8-4, and you come in at 8:15, you are stealing a little bit from the company. I know people can justify that in their mind, and say well I can work just as hard in seven hours as I do in eight. Because I see other people standing around talking. But again, that's the tone at the top. That's what's acceptable.

Theme 8. Technical Competence

A second theme of Ethical Accounting Competencies emerged through interviews of study practitioners. Practitioners viewed Technical Competence as important in ethical accounting decision making. Technical competence is professional knowledge, skills and abilities essential for successful achievement in the field of accounting. Technical competence pertains to accounting functions, processes, and roles within the organization. In accounting, technical competence would include knowledge and application of generally accepted accounting standards, tax laws and regulations, auditing standards, governmental accounting standards, and many other rules and regulations.

Nine of 13 study participants discussed technical competence as an essential element for ethical accounting decision making. One practitioner discusses the hardships resulting from a lack of fundamental knowledge of tax preparation. This practitioner's viewpoint is that accounting students are not taught underlying tax concepts and regulations; rather, they simply learn to answer software input questions to complete a tax return. He describes an example as follows:

> One is technical competencies, and I think that that is one of the things that students no longer get in a lot of instances. And one of the reasons for that is the proliferation of computers, in accounting, in taxation. When I was going to school we did everything by paper. You had to know all of the principles. You would take a tax situation and say well these are the rules that apply. Here's what you do. And they let you have the books because you couldn't memorize all of that. Then you would have to come up with your answer and give your supporting documentation. Now they just use TurboTax. And can you use whichever tax package. They don't really know where things go on forms. They don't know if it is correct or not by looking at it. And so you can't really be competent. You're basically a data input person at that point. People that run programs that way are doing their students a huge injustice. I personally believe they should go back to the old way of doing things and the students should have to master the technical aspects of it. Then use the computer as an aid to accomplish the job.
>
> That's the issue, that when you sit there and you teach them how to use tax software, you do them an injustice. Because they spin it in; they don't know if it's correct or not. The person that is actually checking it is the computer. It's not like the old days of partner review. You take your tax returns in, and they eyeball every one of them. So I think that's the problem because they don't have the body of knowledge to know whether they have done something correct or incorrect.

> They don't have the body of knowledge to know whether someone else has done something correct or incorrect. So to me that becomes a big issue.
> They should have to do get a little 13-column paper that's the best way to do it. Because then well you'll never get a grasp of the principles of accounting doing it through an accounting software package. If you don't understand why things have to balance or there are actually two sides to a transaction. Why do you need a debit and a credit?

Another study participant talks about technical competence as an ethical obligation. She states, “I think ethics comes into place with knowing the rules of accounting and following the rules of accounting, as well. Now, in some instances ethics can be just a moral thing. In this case with accounting, I think it is knowing the rules and following the rules.” In her discussions, the practitioner uses an example of revenue recognition to describe the ethical significance of applying generally accepted accounting standards:

> Well, definitely from a revenue recognition standpoint. We sell large equipment. Like, I am talking like $300,000. One piece of equipment can make or break a month for us. From a revenue recognition standpoint, you can’t invoice a machine that is sort of, kind of, almost sold. We have a contract, we are ready to sell it, it just hasn’t quite had that minor detail of being signed. So, that’s not ok. They say, “you know, we are probably going to sell it next month and it is all in the same fiscal year. What does it matter?” It matters to the bank who lends us money. It matters from a GAAP standpoint. It matters to me because I am the one saying these financial statements are complete and accurate to the best of my

knowledge and ability every month. Ultimately, I am responsible for the accuracy of these financial statements. I very much want our company to be profitable and I want the bank to continue lending us money. But at the same time, I kind of want to keep my CPA license. I have a lot invested in this. I kind of, got to look out for me as well. I have little mouths to feed on this income. I can't lose it. I want to keep them happy, but I also want to keep my license and do the right thing. I feel like if I were ever in that position of them saying, "You've got to do this or else." Then I think I could walk away. I think I would find another job first.

A similar situation is described by another practitioner concerning application of current accounting knowledge, but this example concerns the timing of accrued liabilities. The practitioner explains:

> An example could be, in my career at least once or twice in every new role that I've had, functional managers, they will come to me and be really proud of themselves because it's the end of the year and they have been negotiating with some supplier or a service provider or advertiser, and they'll come in they'll tell me, "Ok, I know how close we are in budget. So I negotiated with this advertising firm that they are going to go ahead and do this work for us and they are not going to send us an invoice until January. And I just wanted to let you know. It's all good." Well thank you, because that is good from the cash standpoint, and I appreciate that. But it's not about the invoice date, it's about when the work was done. And what you just described to me, if they are going to go ahead and do the work and postpone the work to next year, if that works right?

> But, these aren't conversations about what I just did and I'm cheating the system. They think that they are following the rules. So that's where the GAAP comes in; that's not really the rule. But I see that a lot, where the folks in the rest of the organization, they aren't trying to do anything wrong. They just don't understand the rules. The accountant does have to make sure that they are applying costs and accruals and all that kind of concepts. Did everything get in the right place. But then kind of working back-and-forth with those managers to help them understand; you know the real way, if you were trying to control cost for this year, is to not engage in the activity. That may or may not be a good idea. If you don't do that, how can we meet our revenue budget in the first quarter. You just have to help me understand.

A study participant, who studied finance, offers his perspective of technical competence and what it means in accounting. He also briefly mentions computer use in recording accounting transactions, which may cause the accountant to misunderstand or to not fully understand the underlying design of a double-entry set of accounting records. A crucial facet in development of financial statements requires a comprehensive understanding of debits and credits and the chart of accounts. This perception is shared by the practitioner, mentioned previously, discussing tax software. The practitioner explains:

> Technical nuts and bolts of accounting, the financial statements, what they mean, what they measure. Even for a business major, understanding how the income statement, cash flow, and balance sheet all work together, and what each does and what each means and how they are related. So that a person, you know, it's not

> just plug in numbers to excel or whatever your system is. Not being able to evaluate, does not make sense. Is there corroborating evidence to say this is correct? Just understand how a chart of accounts works. You know, not everybody makes debit and credit entries in accounting, especially these days. So many things are automated for you. I think, that kind of is a danger. If you say, well, I put it in the memorized transaction, or this template, or I uploaded it to development interface, then, you know, I put it in there right. You look at the result, is that what it's supposed to be? Because I just uploaded a file, it should be right; can I evaluate what's in there, is what I wanted it to be. And that kind of thing.

Theme 9. Professional Skepticism

A third theme related to trust in complex economic systems is application of skepticism within a trusting environment. Most accountants label skepticism in accounting and auditing as professional skepticism. Professional skepticism is an inclination accountants and auditors have that questions and examines accounting transactions, conditions or circumstances to prevent misstatement or fraudulent use of accounting information. Eight of the 13 participants emphasized the need for skepticism in positions of oversight to enhance trust. They considered the need to maintain an attitude of skepticism when they discussed trust building within their organizations.

A study participant described skepticism, saying,

> Yeah, I would say that professional skepticism, as far as in industry, would definitely be more in a management or oversight position. But if you are a manager, being a controller, internal controls are important, and is a big part of

my job. So, that is where professional skepticism fits in—as it relates to mostly, to internal controls.

Another study participant describes the application of skepticism in her organization in the following way:

> Well, I use professional skepticism as a term all the time. I think that's one of the things that you learn the hard way, again, is professional skepticism. I think you learn from the things that cross your path. I think that people, who never had anything cross their path probably don't learn as much as someone who has a lot of obstacles or challenges that come along. We have had some people turn over in our management level in the last year that made some poor decisions. People do that. I had a lady that was charged with interviewing all of our candidates for jobs. And the one thing that she couldn't get through was professional skepticism. Her response to me was, "Well, they are lying to me." Well, your job is to determine when they're lying and to see through what they're saying. But she couldn't see other than what she wanted to see. A lot of times, as managers, as accountants, as anybody you've got to take the situation and be able to see all facets of it and kind of twist it and turn it. And to see where it's going and she was unable to do that.
>
> Some people trust everybody that they interact with. "Here, here's a check request. I need you to write a check for me. And it's going to go to my sister's best friend." Well, why am I writing a check to your sister's best friend? If I don't have professional skepticism I might write that check. You've got to be able

> to read through things especially in this day and age; the criminal seems to have gotten so smart and so slick.

Another study participant described the application of skepticism in various accounting transactions as follows:

> Professional skepticism is very important. If you have a transaction that you are not sure, say, you are recognizing revenue too soon or you have not done it early enough, or your accrual process, you don't know fits the right methodology or you have the right assumptions. I think you always have to have what we call "the smell test." Do you think this—does this smell right? We may have hit all of these hurdles, what have you, is the result reasonable? So, professional skepticism, to me, is very important.

Practitioners suggested three competencies they consider most important in ethical decision making. Those competencies (themes) are (a) Tone at the top, (b) Technical competence, and (c) Professional skepticism. The following summary (see Table 8) exhibits the themes, descriptions, practitioner identifiers, and convergence (divergence). The practitioner identifier pinpoints a specific type of accounting practice described by the study participant. For instance, a positive tone at the top occurs when there is decentralization within the practitioner's organization. These types of accounting practice vary among participants; however, practitioners agree on the major themes, important for ethical decision making. As mentioned before, practitioner convergence (divergence) explains commonly advocated themes of study participants.

Table 8

Classification 3. Ethical accounting competencies

7. Tone at the Top	General ethical climate set by top management.	Decentralization Entrepreneurial spirit Internal control Compensation structure Approachable (open door) Policy enforcement Dictatorship Rigidness Profit-oriented	13 of 13 practitioners agree
8. Technical Competence	Professional accounting knowledge, skills, and abilities in understanding and applying standards.	Ethical obligation Revenue recognition Timing of accruals Insufficient knowledge Circumventing regulations Technology	9 of 13 practitioners agree
9. Professional Skepticism	Inclination accountants have that questions accounting transactions circumstances to prevent misstatement or fraudulent use of accounting information.	Management responsibility Income Tax Preparation "Smell test" Audit engagement Scams	8 of 13 practitioners agree

RO3. Identify ethical accounting issues and behaviors experienced by practitioners

Classification 4. Ethical Issues and Behaviors in the Workplace

Study participants were asked to identify ethical issues and behaviors they encounter in the workplace. Practitioners' experiences and their perspectives of how to navigate ethical issues and behaviors can be helpful to accounting students and new graduates. Many of the practitioners discussed their association with newly hired graduates and their desire to guide graduates to virtuous decisions when ethical issues arise. In higher education, accounting students benefit when there are strong partnerships between the accounting practice community and the accounting academic body to establish relevance of accounting education (Pathways Commission, 2012). Practitioners' experiential details of ethical issues and behaviors link ethical accounting education to the realities of accounting practice.

As the study participants answered the study interview questions, they provided a glimpse of how ethical accounting issues and behaviors are dealt with and solved using various competencies. Much of this data has already been presented. Classification 4 highlights three examples of ethical dilemmas described by study participants: (a) Income Smoothing, (b) Tax Avoidance, and (c) Cash Skimming. There is also a discussion of ethical competencies identified to make principled decisions in each case.

Research data provided three ethical situations encountered by practitioners in various work experiences. These dilemmas have been labeled according to the content as: (a) income smoothing, (b) tax avoidance, and (c) cash skimming business. In some cases, study participants were compelled to terminate their jobs and move on to a more exemplar situation.

Issues and Behaviors 1. Income Smoothing

A study participant related his account of income smoothing uncovered in an audit situation in his first position in public accounting. Income smoothing is an accounting technique to level out net income so that fluctuations do not occur from period to period. This practitioner mentioned his eight-year service in the military before entering college; perhaps, an influence of his moral resolve to do the right thing. He understood he was faced with a problem and he knew what the problem entailed. The following account describes the ethical issues pertaining to his decision:

> I've actually changed jobs twice over ethical things. I quit my job twice over ethics. The first time I was in public accounting. I was on an audit and I noticed something that seemed out of ordinary to me. No, it was not in the work papers. But what had happened was, while I was doing audit procedures, the controller of this company had brought this box in and had this stuff in this box. And she was giving me documentation for something. I said, and where did the box come from because all of your records were kept in the filing cabinets? And then she said, "well, oh well, this is just a box that I have odds and ends in." And I said, well, why are they not filed with everything else? And I started looking and it was invoices, and there were a bunch of invoices in there. And so then, so I started questioning her about it. And she got really frustrated with it, but she left the box there. And then she left and I started going through the box. And I very quickly realized that there were probably over $100,000 worth of invoices in there. So I just made note of the largest ones and went back and went to the records and found out there weren't any matches in the thing. So I knew they were skewing the income. So, they use that box, when they didn't want to have too much income. But when they wanted to have income they would put it in the system and bill it. And smooth their income. So I went to the major partner of the auditing firm, and explained to him what I had found. And it wasn't in any of the

auditing procedures, and he said, "did you find this in the auditing procedures?" I said, “no.” I said, “I found this just by luck. Paying attention and being an auditor.” Then he said, "well, I'll go talk to them.” He comes back and says, "it's no big deal. It's not really material, don't worry about it.” I said well it is material. The dollar that I saw was material. No doubt in my mind it was over the materiality threshold. Then he says, “well no, we're just gonna let it go.” Why are you going to let this go; I don't understand this? Turns out that the person in the company was his best friend. And also his college roommate. And I said, this is not correct. And, he said, "well, this is how we're going to do it." Well, I'm not going to put my name on this audit if we are going to do it this way. So I said, “I'm going to write a professional difference of opinion letter.” And I want it to go in the audit stating that I disagree with this audit. So I did it. And needless to say, I suffered some repercussions for that. And one thing led to another and they said, "ok, you're going to leave," and I left. It turned out ok in the end.

Accounting practice calls for ethical accounting competencies in accounting decision making. The new accountant exhibits technical competence and professional skepticism leading to an investigation and uncovering of unethical accounting practices. However, the business controller and audit partner lacked qualities of professional manner and professional judgment. They are participating in fraudulent financial reporting by omitting, advancing, or delaying recognition of events that have occurred during the year. Competences that would have enhanced trust in the accounting and audit functions are tone at the top, effective oversight and objectivity.

Issues and Behaviors 2. Tax Avoidance

When asked to describe ethical dilemmas encountered in the workplace, one practitioner gave an example of an unethical choice made by her managing partner. This study participant described what she characterizes as unprofessional judgment of the partner in his choice to conceal a costly mistake he made in tax planning for a client. As she states, she left her job because of the unethical behavior of her supervisor. She described the following scenario:

> When I was in public accounting, I had a supervisor who—there was a company; it was a partnership. It had two partners, and one of the partners was leaving the business and selling his share to the other partner. Well, the supervisor that I worked for had done the tax planning for the remaining partner and failed to realize that on the state return in Tennessee that the sale of the fixed asset was not, it was not going to be a part of the self-employment. In Tennessee, you get a (I don't know how much detail you really need), he failed to include some taxable income on the state return for tax planning, which resulted in, it ended up being several tens of thousands of dollars of state taxes, that he neglected to include in the tax planning when he advised the client.
>
> This is in Tennessee for franchise and excise tax. Ok, sorry. There is a whole tax for income for interest and dividends, but not a state income tax for individuals. This is on the franchise/excise tax. The excise tax in Tennessee is somewhat of an income tax. It is not called an income tax, but it is based on income. Now on a partnership, the portion that is considered self-employment income, is not taxable to the state of Tennessee. But if it is not self-employment income, which in this case—it was sale from fixed assets, so it was capital gains income in

Tennessee. So, it was subject to the franchise/excise tax. Well, he forgot to include that in his tax planning and I was preparing the return, and I told him about it. I said, "you know, I was looking over your tax planning and I see that you included this capital gains in the self-employment deduction. That is not actually self-employment." And of course at that point what he should have done was go to the client to tell him, "I am so sorry. I messed up. But, you know. I am sorry, but this is what it is." But instead he asked me to do an override on that return. And I told him I just didn't feel comfortable doing that. And he understood, but he still went back and did it anyway. And that just really bothered me because I prepared the return. And so my sign-in was all over that return in the system. But, of course, if you override a field, it tells you who overrode it, the date they overrode it, and the time that they overrode it. So it did have his name in the override. But, I just really—that was my, ok, I need to leave public accounting because he was a partner. So, he has left since then. And he left within a month after I did, actually. But, I have just felt like I couldn't work for him knowing that he was willing and able to do things like that. And there were much other, I guess, much smaller instances of things like that, that he did. But that was the biggest one that he did. So, I left within months after that happened. But I did tell the firm administrator what had happened. I debated on whether I should or not because he was my supervisor. But I just felt like someone needed to know, because it was like you said, the firm was a stakeholder in that decision because the firm was the one who signed the return, basically. And then after he left, of course, it was still the firm's responsibility on that tax return and the client got audited. So, it was, you know, I don't know if they went back on him for anything. I don't know if they could have. But, that was the biggest ethical dilemma I faced in public accounting—to be asked to override a dollar amount on a tax return; to prepare it incorrectly.

In this example, the practitioner experiences pressure from her supervisor to commit an immoral act. The practitioner labels this scenario as an example of a supervisor's lack of professional judgment in handling a tax error. The supervisor also handled the situation in an unprofessional manner by asking the practitioner to take part in a reporting fraud. Both of these competencies are ethical decision-making qualities the supervisor does not exercise. Objectivity of the supervisor can also be questioned. On the other hand, the practitioner was technically competent in finding the error and exhibited professional skepticism in questioning her supervisor's actions.

Issues and Behaviors 3. Cash Skimming

The final scenario is one practitioner's account of his experiences with a businessman who does not run cash through a bank account in order to avoid paying taxes. The businessman does not deny his intentions, putting the accountant in the position of making a decision of whether or not to continue to work at that organization. The practitioner explains the ethical dilemma:

> I had a client that kept on trying to get me to come to work for her. They said, "we need a CFO. You know, you'd be perfect for the job." So I said, "Ok." Well I went to the company; they paid me (should have been my first red flag), they paid me a great salary. The guy had figured that I was a young CPA and I wouldn't be able to figure a lot of stuff out." He was skimming, he was in a lot of

cash businesses. Well, he was skimming from the business. Not running the cash through the business. And then he had side contracts that he wasn't reporting. No sales tax on it, nothing on this. I knew he was doing all of this wrong, so I confronted him about it and said hey, and he just as matter of fact said, “yeah, that is exactly what I'm doing.” He said, “I'm not going to pay the IRS; they will never know.” I said I don't want any part of the this. I was only there a couple of months, probably three months, before I started figuring all this stuff out. And so, I thought, well, here is the end of my career. It just so happened that one of my good friends in college, his dad was CFO of (Company Name) dealership. And, when I had found that out, and had the conversation with the guy, it was in the morning, it was about 9:30 in the morning. About 10:30, I went to lunch, stayed at lunch for about two hours trying to decide what I was going to do, because I knew I had to resign. And I said, “I don't know what I'm going to do.” And then I left lunch and I said, “Well. This is where you have to pray and say dear God, what do I do?” And I went back in and I sat in my big nice office, a nice desk and chair, and said, “Lord, I've got myself into a mess. Show me what to do.” And the phone rang. I picked up the phone and it was my friend from college. “This is going to sound really weird because I know you just took this big fancy job, but my dad has a position open at (Company Name).” And he thinks you would be perfect for it. So I said, “ok,” and went and talked to his dad that night. I went for an interview, that wasn't really an interview. He says, “Ok, I'm not really supposed to do this, but if you want the job, your hired.” I went to work for them and now I've been at (Company Name) ever since then, for 17 years. It worked out for me, I guess. But I felt like I just had to do the right thing.

This scenario describes fraudulent activity of the organization and calls into question ethical decision-making qualities of the owner, such as professional judgment and professional manner. The adverse tone set by the company is to omit reporting of sales and expense to fraudulently decrease tax liabilities. The new accountant demonstrates technical competence and professional skepticism in evaluating the unethical behaviors of the owner. His moral judgment is to leave employment with the company.

The ethical accounting issues and behaviors provided by practitioners demonstrate a sense of what new graduates may face in the workplace. The examples highlight the need for ethical accounting competencies for graduate preparedness in a successful career in accounting. Several stakeholders, who are affected by, or may affect decisions, are at risk for harm in each of the examples. When ethical dilemmas are encountered, individuals sometimes quit their jobs and lose their income. Families may be negatively impacted as a result of this dilemma. Alternatively, they may not have an option to leave; instead, they stay with the company and endure an unethical environment.

Table 9 is a summary of ethical competencies relating to the three examples of ethical issues and behaviors identified by study participants. The examples demonstrate competencies and those competences that are lacking and are the cause of unethical activity.

Table 9

Classification 4. Ethical Issues and Behavior

Examples	Descriptions	Competencies (Practiced)	Competencies (Lacking)
1. Income Smoothing	Accounting technique to level out net income so that fluctuations do not occur from period to period	Technical Competence Professional Skepticism Tone at the Top Effective Oversight Objectivity	Professional Manner Professional Judgment
2. Tax Avoidance	Manipulation of accounting records to avoid payment of taxes	Technical Competence Professional Skepticism	Professional Manner Professional Judgment Objectivity
3. Cash Skimming	Skimming is slang for taking cash "off the top" of the daily receipts of a business and officially reporting a lower total.	Technical Competence Professional Skepticism	Tone at the Top Professional Manner Professional Judgment

Research Objectives and Theme Correlation

Three research objectives are identified in this study. RO1 is highlighted in the first section and refers to the demographics of the participants. Participant demographics support RO1. RO2 is highlighted in the second section. RO2 states: Determine practitioners' perspectives of ethical accounting competencies required for ethical accounting decisions. Accountants draw from various sources of competencies when considering ethical decisions. Practitioners in the study offered their perspectives on specific competencies necessary for principled decisions across different positions and industries in the field of accounting and finance. The study participants concur on nine significant themes. Three classifications and nine emergent themes (six as competencies) provide support for RO2.

Further, RO3 is also addressed in the second section. RO3 states: Identify ethical accounting issues and behaviors experienced by practitioners. The study participants shared their experiences and relevant ethical accounting competencies which aid in decision making. Practitioner experiences spanned three classifications involving trust and accounting competencies important in ethical decision making. Three shared experiences are highlighted and support RO3. Figure 6 provides a summary of theme development based on data collection. The size of the topic boxes signifies the relative number of responses per practitioner and is indicative of recurrent themes.

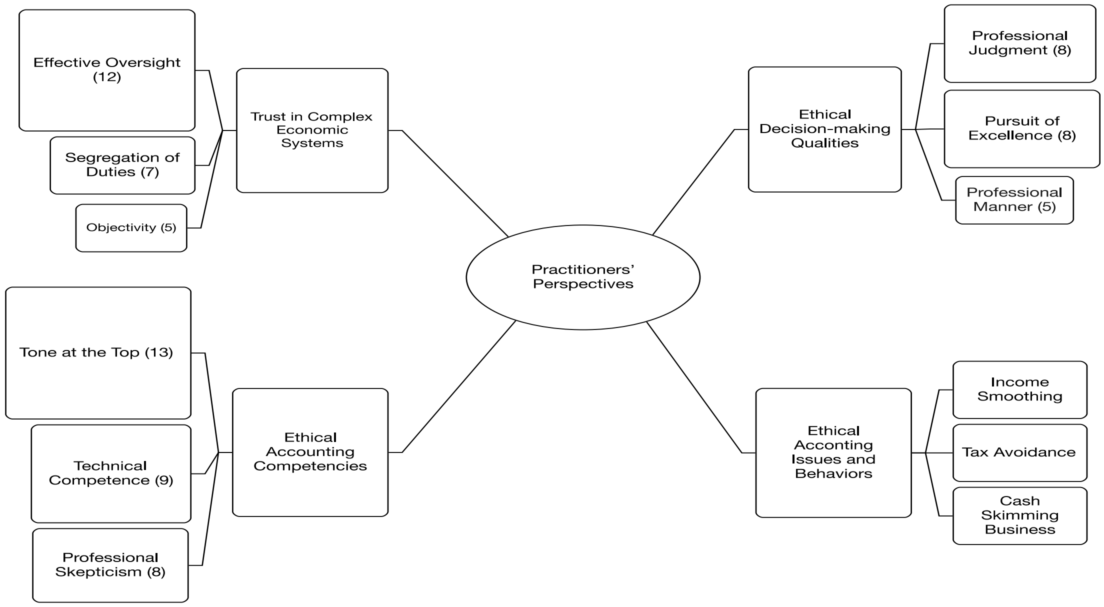

Figure 6. Summary of Theme Development

Summary

Chapter IV provides an explanation of data analysis and reports final results of the study. Qualitative computer software was used to assist in data analysis and reporting. NVivo software was used with the IPA approach to electronically code and analyze data collected from participant interviews. A direct comparison of data was made to determine attitudes and perspectives of different demographic groups within the field of accounting and finance. Themes, which emerged from the data analysis, were linked to the ROs and a listing of important ethical accounting competencies for decision making were offered. NVivo software provided a visualization of study outcomes. Several approaches to validate study findings were discussed.

The final chapter comprises findings, conclusions, and recommendations and concludes with suggestions for further research. A list of references and appendixes concludes the study.

CHAPTER V – CONCLUSIONS

This study centered on ethical accounting competencies required for making ethical accounting decisions and ethical issues and behaviors exemplified in the workplace. The study investigated accounting and finance practitioners' perceptions of the subject matter. The research provided an understanding of the lack of progress in advancing ethical accounting education and identified a gap in the literature resulting from conflicting research on the efficacy of ethical accounting education and ethical decision making in the workforce. This chapter presents a summary of the study results and discusses findings, conclusions, and recommendations. Implications of study limitations and recommendations for future research are also presented.

Summary of the Study

The purpose of this study was to determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. Additionally, the purpose included an investigation of ethical accounting issues and behaviors experienced by practitioners. This study was conducted as qualitative research. An IPA approach, informed by the concepts of phenomenology, hermeneutics and ideography, provided a methodology for interpretation and analysis of the data. NVivo qualitative software provided efficient and effective organization, coding and reporting of the qualitative data under investigation. Participants in the study, chosen through a purposive sampling technique, included accounting and finance members of the Mid-South, Memphis Chapter of the IMA. The practitioners discussed important ethical accounting competencies for decision making and offered personal experiences of ethical decision making in the workplace.

Data collection was accomplished through person-to-person interviews using a long interview format with a semi-structured questionnaire. Interviews were conducted with 13 participants who elected to comment on seven open-ended interview questions. Study participants responded to interview questions by describing ethical accounting competencies deemed important in their organization. Participants were urged to add other competencies and to provide examples of their related experiences. Recorded interviews were transcribed and imported into the qualitative software for analysis. Participant interviews addressed the research objectives by providing a practical perspective and rich descriptions of practitioners' work experiences concerning ethical accounting decisions.

Summary of Results

Study analysis produced four classifications of data. Three of the classifications were further developed into nine emergent themes. The nine themes aligned to and supported RO2. A fourth classification supported RO3, which was to identify ethical accounting issues and behaviors experienced by practitioners. Study participants were asked to discuss ethical experiences exemplified in the workplace. The data from practitioner experiences was evaluated and cross-checked to the nine themes found in RO2. Three specific examples of experiences represent RO3. The classifications and emergent themes are included in Table 10.

Table 10

Summary of Classifications, Emergent Themes, and Interrelated Themes

Classifications	RO1	RO2	RO3	Interrelated Themes
Demographics	(See Table 5)			
Trust in Complex Economic Systems		1. Effective Oversight 2. Segregation of Duties 3. Objectivity		
Ethical Decision-Making Qualities		4. Professional Judgment 5. Professional Manner 6. Pursuit of Excellence		
Ethical Competencies		7. Tone at the Top 8. Technical Competence 9. Professional Skepticism		
Ethical Issues and Behaviors			10. Income Smoothing 11. Tax Avoidance 12. Cash Skimming	1, 3, 4, 5, 7, 8, 9 3, 4, 5, 8, 9 2, 4, 5, 7, 8, 9

Findings, Conclusions, and Recommendations

Three findings in this study relate to the problem that ethical accounting education lacks the eminence required to prepare accounting graduates for today's changing business environment. The findings link to the concepts of the study identified by the literature review and supported by theoretical constructs. Study findings were developed through an IPA approach using a double hermeneutic process of researcher sense-making of study participant meanings. Interpretations of study participant interviews provided logical development of themes and resulted in three study findings.

Finding 1. Accounting and finance practitioners experience a lack of trust in their organizations.

Study participants chronicled the necessity for trust in accounting and in their specific organizations. Practitioners in this study recognize that trusting and ethical cultures result in highly-valued benefits. Alternatively, they described conflict within their organizations where trust was violated. In these cases, the study participants identified the costly risks associated with lack of trust and unethical issues and behaviors. This finding is consistent with current literature concerning the value of trust building in organizations (Covey, 2006; Covey & Merrill, 2014; Kimmel, 2016; Vershcoor, 2017).

Conclusion for Finding 1. This study supports the notion that trust remains an important aspirational goal of accounting. However, practitioners recognize problems with a lack of trust in their organizations. Organizational trust remains a relevant issue impacting many critical components of a business (Vershcoor, 2017). Guiso, Sapinza, and Zingales (2015) report an organization can increase its profitability when employees view top management as trusting and ethical. This study supports Kimmel's (2016) suggestion that business leaders are beginning to focus on trust and integrity within their organizations and are realizing positive results.

This study concludes a pervasive lack of trust exists within organizations. Stakeholder theory maintains a pragmatic strategy for practitioners in solving ethical business decisions and building trust in organizations. Stakeholder theory embraces a managerial approach by identifying, analyzing, and negotiating with key stakeholder groups (Freeman, 2004). The approach emphasizes the relevance of investing in relationships, and sharing of core principles or values, with those who have a stake in the organization (Dess & Robinson, 1984; Freeman, 2004; Schendel & Hofer, 1979; Waddock, 2005).

Recommendations for Finding 1. To counter the effects of low trust, organizations may find it beneficial to utilize the FACTS® Framework developed by Trust Across America (Kimmel, 2016). The FACTS® Framework utilizes a proprietary measurement and assessment of trust "worthiness" in organizations. The FACTS® Framework applies five indicators of trust and integrity; the five indicators are (a) financial stability and strength, (b) accounting conservativeness, (c) corporate integrity, (d) transparency, and (e) sustainability.

Finding 2: Accounting and finance practitioners are not prepared for the challenges of ethical decision making in a changing accounting and finance profession.

Study participants identified actual experiences where unprincipled decisions resulted in inappropriate treatment of accounting standards and principles. In some cases, these unethical decisions resulted in a destructive, and even devastating, impact on individuals and the organizations they work for. For instance, three study participants left organizations due to unethical activities of managing supervisors, partners or owners. This finding is consistent with current literature regarding graduates' lack of preparedness for ethical accounting decision making in the workplace (Abend, 2013; Mastracchio et al., 2015; Waples et al., 2009).

Conclusion for Finding 2. In describing unethical issues and behaviors encountered in the workplace, study participants also identified ethical accounting competencies they believe will better prepare graduates for a career in accounting. All in all, six competencies were recommended by study participants for development in curriculum: (a) Tone at the top, (b) Technical Competence, (c) Professional Skepticism, (d) Professional Manner, (e) Professional Judgment, and (f) Pursuit of Excellence.

Research provides a number of approaches to curriculum development for ethical competency instruction (Martinov-Bennie & Mladenovic, 2015; Boyce & Greer, 2013; Lampe & Engleman-Lampe, 2012; Waples et al., 2009). In this study, the participants agreed with the Lawson et al. (2014) proposal for their framework to aid accounting educators in providing students with particular ethical accounting competencies. The researchers' recommendations provide new perspectives for ethical accounting preparation for long-term careers which add value to organizations (Lawson et al., 2014).

Recommendations for Finding 2. A recommendation of this study is utilization by educators of the framework developed by Lawson et al. (2014). Participants in this study highlighted six specific competencies from the framework they believe are most important for ethical decision making. Educators should utilize the six specific competencies in their initial implementation of the framework in curriculum development. Guidelines for instructional use of the framework explain how competency development can be integrated across the accounting curriculum using cross-functional competencies (Lawson et al., 2015). Pathways Commission (2012) recommend competency integration throughout the curriculum, as a capstone project, or by providing student internships to gain accounting workplace experience.

Finding 3: Accounting and Finance practitioners should have a critical role in the ethical accounting educational process.

Study participants offered valuable information by sharing ethical accounting issues and behaviors they experience. In this study, practitioners highlight ethical dilemmas which require application of knowledge and skills covering a wide range of ethical accounting issues. Accounting practitioners are a valuable resource for curriculum development inasmuch as they encounter ethical issues, behaviors and dilemmas in their workplace. An example in this study includes the development of competencies surrounding the Income Smoothing illustration. This real-world scenario highlights eight ethical competencies, which aid in addressing the issue or were lacking and contributed to the issue. These scenarios provide a relevant pedagogical tool for ethical competency development in an accounting course. Two additional scenarios discussed by practitioners were Tax Avoidance and Cash Skimming.

Lawson et al. (2014) stated a number of implementation issues associated with the educational framework remain unclear. This lack of clarity includes the question of how the integrative aspects of the framework might be accomplished. Individual educators who choose to include the ethical accounting competencies in their program of study must determine how the integrative aspects of the framework might be attained.

The findings of this study are supported by organizational mindfulness theory. Organizational mindfulness is a theoretical construct, which may be useful to business schools operating within changing environments (Ray et al., 2011). The practice of accounting undergoes constant change and business schools must respond quickly by adjusting curricula, learning objectives, and pedagogy to supply informed graduates to the profession. The history of ethical accounting education shows a continued lack of response from business schools to make adjustments in curricula to update and adapt to a changing business environment (Gray et al., 1994; Miller et al., 2014).

Conclusion for Finding 3: Study participants support the proposition of vested interest between practitioners and educators in assuring accounting graduates are well-prepared to enter accounting-related careers. Practitioners' experiences discussed and integrated into the classroom ensures accounting education as relevant (Pathways Commission, 2012). One objective of the Pathways Commission report is a need to "enhance the value of practitioner-educator exchanges" (Pathways Commission, 2012, p. 55).

Recommendations for Finding 3. Several recommendations can be made to enhance connectivity between accounting educators and accounting practitioners to impact student learning. Practitioners are encouraged to become involved in class content and ethical pedagogy development, so the student learning experience aligns with ethical practice issues. Practitioners in this study offered descriptions of ethical issues and behaviors they experienced in the workplace. These specific examples of ethical dilemmas can be discussed in the classroom. Various outcomes can be explored using ethical accounting frameworks and codes of ethics.

Practitioners are encouraged to visit classrooms to provide their perspectives on handling various subjects within the ethical accounting profession. Accounting faculty should establish protocol for practitioner participation in the classroom. Additionally, accounting faculty should consider holding ethical accounting academic workshops and seminars with practitioners. Accounting educators should consider hosting practitioners for professional organizational meetings, perhaps offering continuing education credits with ethics in accounting as the topic of focus. Finally, accounting educators could encourage accounting students to join professional organizations, while still students, to become involved before graduation to acquire discernment of the business environment.

Implications of Limitations

Qualitative research has limitations that should be noted. A primary concern of this study occurs when samples are purposively selected, rather than selected through probability methods. Purposive sampling is used to grant access to participants who represent a perspective. In this study, the sample of 13 practitioners was not a random sample from a national or international standpoint. The validity of a study that only involved accounting and finance practitioners may be questioned. However, study participants worked in a wide range of positions and throughout various industries. The participants recounted rich, detailed experiences of ethical dilemmas in their workplaces.

Secondly, researcher bias may have influenced or limited the study participants' responses due to the researcher's background. Research biases, in turn, may limit what is concluded from the data. Additionally, a limitation may stem from the sensitive nature of the topic. Some participants may have been reluctant to discuss their ethical experiences. In IPA, informed consent must be gained before participation in the study (Smith et al., 2009). Therefore, the topic was presented to the participants before the interview started. Study participants also received a copy of the interview questions by email ahead of time. Further, it may have been helpful that the interviews took place in a familiar place, participant offices, unless requested otherwise by the participant.

Finally, the researcher, being new to an IPA approach including interview techniques, may have limited the results of data collection analysis. The researcher's inexperience may have limited consistency and effectiveness across all participants' interviews especially during initial interviews. To lessen the significance of this limitation, the researcher conducted a pilot study.

Recommendations for Further Research

Future research investigating effectiveness of ethical accounting education and its application to professional practices can aid in the development of sound instruction in ethics for future accounting graduates. The following suggestions for future research pertaining to the Framework (Table 1), (Lawson et al., 2014) in ethical accounting education are as follows:

The proposed Framework does not provide guidance and recommendations pertaining to the development of competencies. Additional work could be completed to investigate specific guidelines for ethical accounting competency development. A natural scheme for curriculum development includes examining learning objectives. Development of learning objectives and a method of implementation is a next step. This creates an opportunity to involve practitioners in the process.

An alternative to learning objectives is the macro approach implemented by Flaherty (1979). A framework for comparing information systems core curriculum and information systems requirements for accounting majors could be extended to include the Framework's ethical competencies. A new comprehensive stakeholder survey could update this approach.

Curriculum integration of the competencies laid out within the Framework are two areas of future research. An investigation of concepts to integrate and the best method of integration would be useful. This creates an opportunity to involve practitioners in the process.

Additional future research could expand the work of Martinov-Bennie Mladenovic (2015), which investigates the impact of providing an ethical decision-making framework on its own or integrated. Accounting students' ethical sensitivity and judgment are examined. Findings suggest the framework has a significant impact on students' ethical judgment, while integrated ethics education improves ethical sensitivity, a critical component which initiates the ethical decision-making process. The research could be expanded to look at more than two ethical issues by investigating a greater range of ethical sensitivity and judgement. Alternatively, the current study could be expanded to include ethical intent and ethical behavior. Also, qualitative data to determine how each of the interventions in the study support students' ethical development could be a part of future research.

Last, the current study investigated ethical accounting competencies for ethical business decision making and assessed ethical issues and behaviors from a practitioner's point of view. This study could be expanded to include practitioner's from other segments of accounting, such as public accountants. In addition, case studies developed from qualitative data describing ethical accounting scenarios covering various ethical competencies could be developed for accounting instruction, providing a resource to integrate accounting competencies across the accounting curriculum.

Discussion

Accounting graduates will make ethical choices over the span of their careers. They rely on accounting educators to prepare them for ethical accounting decision making. They count on accounting practitioners to be moral leaders modeling the "right thing to do." Added to this scenario is a changing business environment, globalization, and technological progress; a graduate's working environment is a dynamic, complex economic system. How can graduates survive, better yet, thrive in this atmosphere? How can accounting graduates be successful in organizations of the 21st century? What knowledge, skills, and abilities do graduating accountants need to be successful and ethically equipped for the long run?

The answer to these questions begins with modern accounting education. Accounting coursework is the gateway to a successful career in business and accounting. Students must be inspired to make the journey through the educational pathway into the accounting profession or accounting management in industry. Curriculum development and pedagogy should engage and prepare students holistically for powerful business processes, not buckets of technical accounting information. Significant learning experiences must span interrelated competencies. Ethical accounting competencies should be included in competency development to promote professional values, ethics, and attitudes, not as a peripheral issue, but as a significant component of accounting education.

Enterprise risk, fraud control, and social corporate responsibilities are prevalent business factors, which require professional skills. These factors, and others, increase the demand for skilled professionals and provide opportunities for accounting graduates. Further, economic growth and a need for regulation in government, industry, and global organizations propel the demand for accounting graduates. This is good news for accounting graduates and a reason for adequate preparation. Unqualified preparation includes the ability to act with sound moral reasoning and ethical judgment.

Clearly, these issues should be of paramount importance to accounting educators and practitioners alike. This study provides significant insight into the business and accounting world of professionals to determine specific accounting competencies needed to make ethical decisions. Accounting educators are charged with the responsibility of providing students with ethical competencies needed to succeed and advance their profession, organizations, and society.

Summary

Chapter V provides a summary of the study and reports the findings. This study is qualitative research, using the IPA approach, to understand the significance of ethical issues and behaviors experienced by accounting and finance practitioners. The purpose of this study was to determine practitioners' perspectives of ethical accounting competencies required for making ethical accounting decisions. Additionally, the purpose included an investigation of ethical accounting issues and behaviors experienced by practitioners. NVivo qualitative software aided in organizing the data, analyzing data for theme development, searching for recurrent themes and reporting the findings.

The research provides an understanding of the lack of progress in advancing ethical accounting education. To address the business implications of this shortfall, accounting and finance practitioners reflect on various ethical competencies they encounter in ethical decisions. They discuss ethical issues and behaviors surrounding these competencies or lack of competencies. A summary of the classifications, emergent themes and interrelated themes is provided.

The study results support the findings, conclusions, and recommendations. The study findings are supported by the theoretical framework presented in the literature review. The theories presented in this chapter are: (a) cognitive moral development theory (Kohlberg & Hersh, 1977), (b) stakeholder theory (Freeman, 1984), and (c) Organizational Mindfulness (Ray et al., 2011).

The findings inform several aspects of ethical accounting from the organizational viewpoint and from the stance of ethical accounting education. First, accounting and finance practitioners experience a lack of trust in their organizations. Organizational trust has been and remains a relevant issue that impacts many critical components of a business (Vershcoor, 2017). Many organizations are measuring trust using the FACTS® Framework to determine the integrity of the organization and take steps to increase trust if necessary (Kimmel, 2016). Second, management and finance practitioners are not prepared for the challenges of ethical decision making in a changing accounting and finance profession. Ethical accounting education has some responsibility in responding to this issue. One recommendation to address preparedness for accounting graduates is to provide instruction of suggested ethical competencies in various ethical accounting scenarios drawing from a recent framework developed by Lawson et al. (2014). This approach connects the practice of accounting to student learning experiences. The third finding is that accounting and finance practitioners should have a critical role in the ethical accounting educational process. Just as in finding two, accounting practitioners can provide critical information to educators about graduates' learning experiences necessary for successful careers in the accounting field. Accounting practitioners and educators have a dual vested interest in the success of accounting graduates. It is hopeful that these recommendations promote the success of accounting graduates in pursuit of long-term careers, and that the graduates add value to their organizations.

APPENDIX A- THE STATE OF TRUST IN CORPORATE AMERICA: 2016 REPORT

BK Barbara Kimmel <barbara@trustacrossamerica.org>
Wednesday, May 24, 2017 at 6:28 AM
To: Gwendolyn Meador
: PastedGraphic-2.tiff (227.5 KB); PastedGraphic-2.tiff (41.2 KB) Preview All

Action Items Manage Add-ins...

Good morning and thank you for contacting me.

Interesting dissertation for sure!

Of course you can use the screenshots with an attribution something like this?

Courtesy of Trust Across America (www.trustacrossamerica.com) a program of Next Decade, Inc.

As far as your question about whether the framework is being used. Not in any "formal" way that I am aware.

This article from Strategic Finance Magazine might help as well (see author qualification)

http://sfmagazine.com/post-entry/january-2017-trust-as-a-constant/

Finally, I know it's a bit late, but we maintain the largest bibliography on organizational trust. It's free on our website and curated by a partner at Accenture.

http://trustacrossamerica.com/trust-bibliography.shtml

Barbara Brooks Kimmel
CEO & Co-founder

PastedGraphic-2.tiff

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Cell: (908) 310 3777
Twitter: @barbarakimmel

On May 23, 2017, at 4:02 PM, Gwendolyn Meador wrote:

Good afternoon Barbara,

My name is Gwen Meador and I am a doctoral candidate at the University of Southern Mississippi. I am wrapping up my dissertation concerning ethical accounting competencies and ethical issues and behaviors in the workplace. It is a qualitative study in which I interviewed 13 accounting and finance practitioners.

The practitioners responded to interview questions concerning trust in accounting and in their specific organizations. One of the findings in my paper is that accounting and finance practitioners experience a lack of trust in their organizations. I had not seen your white paper until this week and would like to use The Facts Framework and another figure from the paper. I have a screenshot of the two figures below.

I would like to get your approval and, if approved, the proper citation.

My recommendation will be that organizations consider using the Facts Framework. However, there are two other findings that relate to accounting education. I am wondering if there is any discussion of your framework being used in accounting education, perhaps in an ethical class or integrated across several accounting classes.

I think the Trust in Corporate America 2016 Report is very interesting. I appreciate your consideration of its use in my dissertation.

Respectfully,

Gwen Meador

Gwen P. Meador, CPA
Doctoral Candidate
University of Southern Mississippi
c/o 606 Ridgeway Avenue
Cleveland, MS 38732
662-719-3725
gwendolyn.meador@usm.edu

APPENDIX B - CARROLL'S APPROVAL
FOR USE CORPORATE SOCIAL RESPONSIBILITY PYRAMID

Archie Carroll June 8, 2016 at 12:58 PM
To: Gwen Meador Inbox - AOL
Re: Permission to use The Pyramid of Corporate Social Responsibility, Gwen P. Meador, Doctoral Student, USM
AC
1

Hi, Gwen,
Sure, just be sure to place the complete reference to it right with the figure and be sure to reference it as Carroll's Pyramid of CSR when using it, at least the first time, in the text.
Best wishes in your research. Keep me posted.

Archie B. Carroll
Professor of Management *Emeritus*
Terry College of Business - University of Georgia
Athens, GA 30602 - USA
http://www.terry.uga.edu/directory/profile/acarroll/
https://uga.academia.edu/httpwwwterryugaeduprofilespersonid443
http://www.researchgate.net/profile/Archie_Carroll

Postal Mailing address (for USPS, UPS, FedEx):
729 Kings Rd.
Athens, GA 30606-3158 USA

***Business & Society: Ethics, Sustainability and Stakeholder Management*, 9E, 2015**
http://edu.cengage.co.uk/catalogue/product.aspx?isbn=1285734297

Corporate Responsibility: The American Experience, Cambridge University Press, 2012.
http://www.cambridge.org/us/academic/subjects/management/business-ethics/corporate-responsibility-american-experience?format=PB

On Wed, Jun 8, 2016 at 1:07 PM, Gwen Meador <meadorgwen@aol.com> wrote:
Good afternoon Dr. Carroll,

My name is Gwen P. Meador and I am a doctoral candidate at The University of Southern Mississippi. I would like to use your Figure 3, The Pyramid of Corporate Social Responsibility, found in your article entitled:

The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders, Business Horizons, July 1991.

I am working on a dissertation entitled: A Qualitative Study of Ethical Accounting Education: Developing Future Practitioners for Ethical Decision Making.

Below is a screen print of the figure I would like permission to use:

Figure 3
The Pyramid of Corporate Social Responsibility

I appreciate your consideration of allowing me the use of your table in my dissertation. Please let me know if you have any questions or concerns.

Gwen Meador

Gwen P. Meador, CPA
Doctoral Candidate
The University of Southern Mississippi
The Department of Human Capital Development
c/o Gwen Meador
606 Ridgeway Avenue
Cleveland, MS 38732

APPENDIX C - LAWSON APPROVAL

FOR USE OF THE FIGURES IN AAA ARTICLE

Susan Rockwell [susan@AAAHQ.ORG]

Actions

To: Gwen P. Meador

Inbox

Monday, August 01, 2016 10:28 AM

- You replied on 8/1/2016 12:53 PM.

Gwen,

There is no fee to use a figure and/or table in a dissertation. Permission is granted. Please include the following credit line with the image and table:

Reprinted with permission from Lawson, R.A., et al. 2014. Focusing accounting curricula on students' long-run careers. *Issues in Accounting Education* 29 (2) 295-317, American Accounting Association.

Thank you for your interest.

Best,
Susan

Susan Rockwell
Director, Publications & Content Strategy
American Accounting Association
5717 Bessie Dr, Sarasota, FL 34233
P: 941.556.4107 | **F:** 941.922.1018
E: susan@aaahq.org | **W:** aaahq.org

Find Someone Options

To: Gwen P. Meador

Tuesday, July 12, 2016 3:08 I

- You forwarded this message on 8/1/2016 9:17 AM.

Dear Gwen-

Thank you for your message below. I have no problem with your using the figures mentioned below. However, th
American Accouting Association, which publishes IAE, has the copyright to articles in that journal, so it would be best to check with them. I'm sure the AAA would have no problem with your using the figures with proper attribution.

If I can be of further help, please let me know. Good luck with your dissertation.

Regards,
Raef

On Jul 13, 2016, at 3:12 AM, Gwen P. Meador <gmeador@deltastate.edu> wrote:

Good afternoon Dr. Lawson,

My name is Gwen Meador and I am a doctoral candidate at The University of Southern Mississippi. I would like to use Figure 1, Competency Integration and Table 1, Continuum of Entry-Level and Long-Term Competency Development and Integration, as illustrations in my dissertation. I have drawn these from the following article:

Focusing Accounting Curricula on Students' Long-Run Careers: Recommendations for an Integrated Competency-Based Framework for Accounting Education, Issues in Accounting Education, 2014.

I am working on a dissertation entitled: A Qualitative Study of Ethical Accounting Education: Developing Future Practitioners for Ethical Decision-Making.

Below is a screen print of the figure/table I would like permission to use:

APPENDIX D – IRB APPROVAL LETTER

THE UNIVERSITY OF
SOUTHERN MISSISSIPPI

INSTITUTIONAL REVIEW BOARD
118 College Drive #5147 | Hattiesburg, MS 39406-0001
Phone: 601.266.5997 | Fax: 601.266.4377 | www.usm.edu/research/institutional.review.board

NOTICE OF COMMITTEE ACTION

The project has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services (45 CFR Part 46), and university guidelines to ensure adherence to the following criteria:

- The risks to subjects are minimized.
- The risks to subjects are reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered regarding risks to subjects must be reported immediately, but not later than 10 days following the event. This should be reported to the IRB Office via the "Adverse Effect Report Form".
- If approved, the maximum period of approval is limited to twelve months.
  Projects that exceed this period must submit an application for renewal or continuation.

PROTOCOL NUMBER: 17010502
PROJECT TITLE: Ethical Decision-Making Accounting Competencies: Practitioners' Perpectives
PROJECT TYPE: New Project
RESEARCHER(S): Gwendolyn P. Meador
COLLEGE/DIVISION: College of Science and Technology
DEPARTMENT: Human Capital Development
FUNDING AGENCY/SPONSOR: N/A
IRB COMMITTEE ACTION: Expedited Review Approval
PERIOD OF APPROVAL: 01/17/2017 to 01/16/2018
Lawrence A. Hosman, Ph.D.
Institutional Review Board

APPENDIX E – PROJECT SPONSOR'S AGREEMENT NOTIFICATION

From: John Bowman [jmb@catdloans.com]
To: Gwen P. Meador
Tuesday, September 06, 2016 8:01 AM
You replied on 9/6/2016 3:25 PM.
Gwen,
Good morning. I hope that you are doing well. I would be glad to sponsor you and assist you in completing your study.
When you are ready to begin, just let me know.
Thanks,
John
John M. Bowman
Vice President & CFO
Cooperative Association of Tractor Dealers, Inc.
Direct Dial 901.333.8602
Cell 901.483.1039
Fax 901.333.8640

Gwen P. Meador
Monday, September 05, 2016 10:25 PM

Mr. Bowman,
My name is Gwen Meador and we have communicated in the past concerning the Delta State Student CMA Chapter. My purpose for this email is unrelated to the DSU Chapter. Besides teaching accounting at DSU, I am enrolled in a doctoral program at the University of Southern Mississippi in Human Capital Development. I am at the end stage of the program and am seeking accounting and finance practitioners who might share their perspectives on including ethics instruction in university curriculum. Specifically, my study involves determining perceptions of accounting and finance practitioners regarding effectual ethical competencies to prepare graduates for long-term career demands essential to organizational value.
I would like to draw a sample of about 15 individuals from the Mid-South, Memphis Chapter of IMA. I am wondering if you would serve as my sponsor. The sponsor would introduce me via letter or email to chapter members and encourage participation in the study. I will travel to the Memphis area to interview volunteer participants for approximately 1 hour at their office or another meeting place. USM requires that names of individuals and organizations remain confidential, so that information will not appear in any part of the dissertation. Also, I am not interested in specific organizational information, rather individual practitioner opinions.
Sponsorship involves your approval and signature on an introductory letter or email and a follow-up letter two weeks later, if there is a need for additional participants. I will

prepare and send the letters. After your introductory letter, I will contact individuals to give them additional information and ask if they are willing to participate.

I am excited about this study and eager to determine how the findings might be helpful to accounting instructors and practitioners. For example, State Boards of Accountancy may be influenced to change CPA licensure prerequisites by requiring ethics education for certification.

I appreciate your consideration to be a sponsor. Please let me know if you have any questions.

I look forward to hearing from you.

Best regards,

Gwen

Gwen P. Meador, CPA
Instructor of AccountancyDelta State UniversityP.O. Box 3222Cleveland, MS 38733
Doctoral StudentUniversity of Southern Mississippi138 Beach Park PlaceLong Beach, MS 39560

APPENDIX F– INTERVIEW QUESTIONNAIRE

Research Interview Questions

Cultural Categories	Interview Questions
	1. Please provide information concerning your educational and business experiences: a. What is your educational level? b. How many years of business experience do you have? c. What professional certifications, if any, do you hold? d. What business positions have you worked in during your career? e. What industries have you worked in during your career?
Trust in providing support for complex economic systems	2. Describe why trust is important in accounting. 3. Describe why trust is important in your specific organization.
Higher education's goal to prepare graduates for	

taking ethical actions within business decisions	4. Reviewing your accounting and finance career, describe unique workplace experiences where trust was violated.
	5. Describe any ethical competencies that would have prevented or lessened the trust violation.
Ethical accounting curriculum strategies	6. Describe the most important accounting competencies that you encounter for ethical accounting decision making.
	7. Describe situations or dilemmas you have experienced in the workplace for which you had to make an ethical decision.

APPENDIX G - PROJECT SPONSOR'S INTRODUCTORY EMAIL

Dear ____________:

Please allow me to introduce Gwen Meador, CPA, and doctoral student at the University of Southern Mississippi. Gwen is looking for accounting and finance practitioners who are members of the Mid-South, Memphis Chapter to participate in a person-to-person interview concerning ethical accounting competency development in university curriculum. Participants must have two years' experience in the field of accounting or finance. The Institutional Review Board of the University of Southern Mississippi has approved this study.

The purpose of the study is to determine your insights concerning ethical competencies graduates need in order to fulfill the demands of a complex business environment and sustain productive careers. In a practitioner-educator exchange, you will be asked to identify strategies you feel are important for inclusion in ethical accounting curriculum.

As the project sponsor, I encourage you to participate in this study. Your perspective strengthens the usefulness of knowledge and skills students should obtain in college and bring forth to the business world.

Your participation in this study will remain anonymous and you will not be associated with any identifiable data. The interview should only last 45 to 60 minutes, and can convene in your office or suitable meeting place. As a participant, you will receive a special report explaining the results of the study upon completion of Gwen's dissertation.

If you agree to contribute your practical knowledge and experience, please contact Gwen via email at gwendolyn.meador@usm.edu. You will receive a response email with instructions for participating. If you have any questions, do not hesitate to contact Gwen Meador at 662-719-3725 or gwendolyn.meador@usm.edu.

Thank you in advance for your support.

John Bowman
Project Sponsor
President of Mid-South, Memphis Chapter
Vice President & CFO
Cooperative Association of Tractor Dealers, Inc.
Direct Dial 901.333.8602
Cell 901.483.1039

APPENDIX H – PROJECT SPONSOR'S FOLLOW-UP EMAIL

To:

From: John M. Bowman, Project Sponsor

Gwen Meador, CPA is seeking your help as a study participant! Your expertise is essential to the success of the project. The project deadline is drawing near and she needs several additional participants. The last day to participate in an interview is __________.

Gwen is seeking your perceptions and ideas regarding the addition of ethical accounting competency development to university curriculum to enhance student preparedness for productive careers. Your expertise can aid in the development of ethical curriculum that is relevant to practice topics, so that more practice-oriented understanding and knowledge are provided to students. The Institutional Review Board of The University of Southern Mississippi has approved this study.

This is your opportunity to suggest strategies for development of ethical competencies you believe current graduates should have to enhance their careers and add value to organizations.

Thank you in advance for your support. As a participant, you will receive a special report explaining the results of the study upon completion of Gwen's dissertation. Please contact Gwen Meador at gwendolyn.meador@usm.edu or 662-719-3725 to schedule an interview time!

Best regards,

John M. Bowman
Vice President & CFO
Cooperative Association of Tractor Dealers, Inc.
Direct Dial 901.333.8602
Cell 901.483.1039
Fax 901.333.8640

APPENDIX I – RESEARCHER'S INITIAL CONTACT EMAIL TO ELIGIBLE PARTICIPANTS

To:
From:

Dear Participant:

I appreciate your willingness to participate in this study.

Through research, I have learned that inclusion of an ethics course in accounting curriculum can provide an ethical awareness, even enhanced moral reasoning, useful in today's business world. While many schools of business agree ethics in accounting curriculum is beneficial for graduates and the organizations they work for, ethical training is not consistently taught across the nation, and in many cases, not at all. Most State Boards of Accountancy do not require a course in ethics as a prerequisite to taking the CPA exam. This study is seeking your perceptions and ideas regarding the addition of ethical accounting competencies to university curriculum.

I have attached to this email interview questions and a listing of ethical competencies researchers believe are important for making ethical accounting decisions. This information is for your review and consideration.

Lastly, please review the following proposed days comprising the interview schedule. The suggested times can be flexible. If there is not a time that meets your availability, please let me know. I will make every effort to meet you at another convenient time:

Beginning Wednesday, February 15 and ending Wednesday, March 1, each Monday, Wednesday and Friday between 8:00 am and 5:00 pm. If you are interested in participating in the study and cannot meet at any of these times, Gwen can work out a time that is convenient for you.

Please contact me at gwendolyn.meador@usm.edu or (662) 719-3725 to schedule an interview at your convenience.

Best regards,

Gwen Meador
Gwen P. Meador, CPA
Doctoral Candidate
The University of Southern Mississippi

Attachment to the email
Interview Questions

1. Please provide answers concerning your educational and business experiences:
   a. What is your educational level?
   b. How many years of business experience do you have?
   c. What professional certifications, if any, do you hold?
   d. What business positions have you worked in during your career?
   e. What industries have you worked in during your career?

2. Describe why trust is important in accounting.

3. Describe why trust is important in your specific organization.

4. Reviewing your accounting and finance career, describe unique workplace experiences where trust was violated.

5. Describe any ethical competencies that would have prevented or lessened the trust violation.

6. Describe the most important accounting competencies that you encounter for ethical accounting decision making.

7. Describe situations or dilemmas you have experienced in the workplace for which you had to make an ethical decision.

The following listing of ethical competencies are provided for your consideration in recalling your experiences.

Professional Values, Ethics & Attitudes	**Ethical & Social Responsibility**
Technical Competence	Environmental Stewardship
Ethical Behavior	Labor Practices & Conditions
Professional Manner	Human Rights
Pursuit of Excellence	Health and Safety
Societal Responsibility	Community Partnerships
Professional Skepticism	Global Citizenship
Objectivity	Code of Conduct
Professional Judgment	Legal and Ethical Differences
Creativity	Whistle Blowing
Innovation	Regulatory Requirements
Tone at the Top	

Source: Adapted from Lawson et al. (2014)

APPENDIX J – ACKNOWLEDGMENT OF INTERVIEW DATE, TIME, AND LOCATION FROM RESEARCHER TO PARTICIPANT (SERVES AS REMINDER EMAIL)

To:

From:

Dear Participant:

I appreciate your participation in my study. Your interview is scheduled for (or, this email serves as a reminder of your interview):

Date: ________ Time: __________ Location: _______________________________

I am looking forward to meeting and talking with you.

Regards,

Gwen

Gwen P. Meador, CPA
Doctoral Candidate
University of Southern Mississippi
gwendolyn.meador@usm.edu
Cell: 662-719-3725

APPENDIX K – OFFICE OF RESEARCH INTEGRITY LONG FORM CONSENT

INSTITUTIONAL REVIEW BOARD

LONG FORM CONSENT

LONG FORM CONSENT PROCEDURES

This completed document must be signed by each consenting research participant.
The Project information and Research Description section of this form should be completed Principal Investigator before submitting this form for IRB approval
Signed copies of the long form consent should be provided to all participants

Today's date:
Project Information
Project Title: Ethical Decision Making Competencies in Accounting Curriculum to Add Organizational Value: Practitioners' Perspectives
Principal Investigator: Gwendolyn P. Meador Phone: 662-719-3725
Email:gwendolyn.meador@usm.edu
College: The University of Southern Mississippi Department: Human Capital Development

Research Description
1. Purpose: This study is seeking your perceptions and ideas regarding the addition of ethical accounting competencies to university curriculum. In general, two questions frame the study: what important ethical competencies do you believe would enhance a graduate's career and add value to an organization? Also, what specific business-related examples do you believe describe ethical issues and behavior likely to be encountered in current business decision making? Your expertise can aid in ethical curriculum development that is relevant to topics you encounter in your work, so that more practice-oriented understanding and knowledge are provided to students. This study is conducted by Gwen P. Meador, a doctoral candidate at The University of Southern Mississippi in partial fulfillment of a Ph.D. in Human Capital Development.
2. Description of Study: As an accounting or finance professional and a non-student member of the Memphis, Mid-South Chapter of the Institute of Management Accountants, you have agreed to participate in this person-to-person interview lasting 45 – 60 minutes. This interview is being conducted in the participant's office or other convenient meeting room. Interview questions have been provided in advance so participants can contemplate their experiences. Further, a list of possible ethical competencies is provided for consideration by participants.
3. Benefits to Participants: Study participants completing person-to-person interviews will not receive any financial benefits. However, participants will receive a special summary report of the study findings.

4. Risks: Participation in this study poses no known identifiable risks to interviewees. Participation in the project is voluntary, and participants may withdraw at any time without penalty, prejudice, or loss of benefits. Participants may skip any questions they do not wish to answer.
5. Confidentiality: Participation in this study is strictly voluntary. Confirmed participants will be assigned a participant number not associated to any personal identifiers. All personal information is strictly confidential and no names will be disclosed. All data will be stored in a password protected electronic format. The researcher is the only person who will have access to data gathered for completing doctoral research requirements.
6. Alternative Procedures: Not applicable

7. Participant's Assurance: This project has been reviewed by the Institutional Review Board, which ensures that research projects involving human subjects follow federal regulations.

Any questions or concerns about rights as a research participant should be directed to the Principal Investigator using the contact information provided in Project Information Section above.

Consent to Participate in Research

Participant's Name: ____________________________

Consent is hereby given to participate in this research project. All procedures and/or investigations to be followed and their purpose, including any experimental procedures, were explained to me. Information was given about all benefits, risks, inconveniences, or discomforts that might be expected.

The opportunity to ask questions regarding the research and procedures was given. Participation in the project is completely voluntary, and participants may withdraw at any time without penalty, prejudice, or loss of benefits. All personal information is strictly confidential, and no names will be disclosed. Any new information that develops during the project will be provided if that information may affect the willingness to continue participation in the project.

Questions concerning the research, at any time during or after the project, should be directed to the Principal Investigator with the contact information provided above. This project and this consent form have been reviewed by the Institutional Review Board, which ensures that research projects involving human subjects follow federal regulations. Any questions or concerns about rights as a research participant would be directed to the Chair of the Institutional Review Board. The University of Southern Mississippi, 118 College Drive #5147, Hattiesburg, MS 39406-0001, (601) 266-5997.

____________________________	____________________________
Research Participant	Person Explaining the Study
____________________________	____________________________
Date	Date

APPENDIX L – INTERVIEW SCRIPT

Participant Name: ______________________Place: _______________Date: ______

Thank you for participating in this study. This oral presentation will explain information concerning consent for participation and it will serve as an interview script to follow throughout this meeting. You have been given an advance copy of the interview questions and a listing of ethical competencies researchers find relevant to the current business environment. This information is also provided for this interview today.

Purpose: This study is seeking your perceptions and ideas regarding the addition of ethical accounting competencies to university curriculum. In general, two questions frame the study: what important ethical competencies do you believe would enhance a graduate's career and add value to an organization? Also, what specific business-related examples do you believe describe ethical issues and behavior likely to be encountered in current business decision making? Your expertise can aid in ethical curriculum development that is relevant to topics you encounter in your work, so that more practice-oriented understanding and knowledge are provided to students. This study is conducted by Gwen P. Meador, a doctoral candidate at The University of Southern Mississippi in partial fulfillment of a Ph.D. in Human Capital Development.

Description of Study: As an accounting or finance professional and a non-student member of the Memphis, Mid-South Chapter of the Institute of Management Accountants, you have agreed to participate in this person-to-person interview lasting 45 – 60 minutes. This interview is being conducted in the participant's office or other convenient meeting room. Interview questions have been provided in advance so participants can contemplate their experiences. Further, a list of possible ethical competencies is provided for consideration by participants.

Benefits to Participants: Study participants completing person-to-person interviews will not receive any financial benefits. However, participants will receive a special summary report of the study findings.

Risks: Participation in this study poses no known identifiable risks to interviewees. Participation in the project is voluntary, and participants may withdraw at any time without penalty, prejudice, or loss of benefits. Participants may skip any questions they do not wish to answer.

Confidentiality: Participation in this study is strictly voluntary. Confirmed participants will be assigned a participant number not associated to any personal identifiers. All personal information is strictly confidential and no names will be disclosed. All data will be stored in a password protected electronic format. The researcher is the only person who will have access to data gathered for completing doctoral research requirements.

Alternative Procedures: Not applicable

Participant's Assurance: This project has been reviewed and approved by the Institutional Review Board of the University of Southern Mississippi, which ensures that research projects involving human subjects follow federal regulations.

Any questions or concerns about rights as a research participant should be directed to the Chair of the IRB at (601) 266-5997. Participation in this project is completely voluntary, and participants may withdraw from this study at any time without penalty, prejudice, or loss of benefits.

Project Information Section:

Principal Investigator: Gwen P. Meador
Email: gwendolyn.meador@usm.edu
Phone: (662)-719-3725

Any questions about the research should be directed to the Principal Investigator using the contact information provided in Project Information Section above.

The consent form will be signed by the participant.

Before we start, do you have any questions regarding the research or the interview procedures?

(Turn on recorders)

I will begin the interview by asking you to describe general demographic information about your education and business experiences.

In conclusion, I want to thank you for your informative interview and your valued contribution to this study.

Principal Investigator Authorization:

By signing my name below, I attest that the procedures for the interview script described above were followed:

____
Principal Investigator

____
Date

APPENDIX M – APPRECIATION EMAIL TO PARTICIPANTS

To:
From: Gwen Meador (gwendolyn.meador@usm.edu)

Dear Participant,

I want to express my appreciation to you for participating in this study concerning ethical competencies graduates need to enter the workforce and remain productive throughout their careers. Your knowledge and experience serve as the framework for "what" and "how" to develop ethical accounting curriculum. As a practitioner, your perspective strengthens the usefulness of knowledge and skills students should obtain in college and bring forth to the business world.

I enjoyed meeting you and hope to cross paths with you again. When my dissertation is finalized, I will send you a copy of a special summary report of the findings.

Best regards,

Gwen

Gwen P. Meador, CPA
Doctoral Candidate
University of Southern Mississippi
c/o 606 Ridgeway Avenue
Cleveland, MS 38732
662-719-3725
gwendolyn.meador@usm.edu

APPENDIX N – MEMBER CHECKS EMAIL TO PARTICIPANTS

To:
From: Gwen Meador (gwendolyn.meador@usm.edu)

Dear Participant,

I have attached your transcript for review of accuracy. If you have no additional comments to make concerning your transcript and I have not received your feedback by _______________, I will assume the transcript is accurate. Otherwise, I look forward to receipt of any comments you may have concerning your interview by ________________.

Best regards,

Gwen

Gwen P. Meador, CPA
Doctoral Candidate
University of Southern Mississippi
c/o 606 Ridgeway Avenue
Cleveland, MS 38732
662-719-3725
gwendolyn.meador@usm.edu

APPENDIX O – INTERPRETATIVE PHENOMENOLOGICAL ANALYSIS

Interpretative Phenomenological Analysis

Research Questions	Responses	Exploratory Comments
1. Demographic Information	Education, position, industry, certifications	
2. Describe why trust is important in accounting.	Foundational to accounting; numbers must be trusted; technical competence; stakeholders rely on for decision making.	Who are the stakeholders? Accounting roles differ among positions and in varying industries
3. Describe why trust is important in your specific organization.	Managers have various duties/responsibilities of oversight; segregation of duties is difficult to achieve; trust is enhanced when there is skepticism	Internal and external oversight, rules and regulations, small accounting staff, verbal agreements, long-term decisions, role models, over-sight in branch offices
4. Reviewing your accounting and finance career describe unique workplace experiences where trust was violated.	Tax avoidance, inventory control, fraudulent payroll practices; technical competence; dishonest employees; misrepresentations; accountant/client relationships	Examples differ among industries, Accounting mistakes require special treatment
5. Describe any ethical competencies that would have prevented or lessened the trust violation.	Professional manner; Professional judgment; Pursuit of excellence	Leadership skills, equal treatment of all employees, Transparency
6. Describe the most important accounting competencies that you encounter for ethical accounting decision making.	Tone at the top (include whistle blowing); technical competences; code of conduct; community partnerships	Organizational culture and environment, trust at every organizational level, low employee turnover, open door policy

7. Describe situations or dilemmas you have experienced in the workplace for which you had to make an ethical decision.	Inventory control; owner's fraudulent activities; tax avoidance and cover up; budget transparencies; health and safety issues in manufacturing; misrepresentation in purchasing processes; income smoothing	Technical competence is critical

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